

RUBICON PROJECT, INC.
Form 10-Q
August 01, 2018
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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 June 30, 2018

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: 001-36384

THE RUBICON PROJECT, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

20-8881738
(I.R.S. Employer Identification No.)

12181 Bluff Creek Drive, 4th Floor
Los Angeles, CA 90094
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code:
(310) 207-0272

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 Smaller reporting company
(Do not check if a smaller reporting company)

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Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

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

Class	Outstanding as of July 26, 2018
Common Stock, \$0.00001 par value	50,750,139

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QUARTERLY REPORT ON FORM 10-Q

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PART I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

THE RUBICON PROJECT, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except per share amounts)

(unaudited)

	June 30, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$72,247	\$76,642
Marketable securities	32,072	52,504
Accounts receivable, net	153,163	165,890
Prepaid expenses and other current assets	9,041	9,620
TOTAL CURRENT ASSETS	266,523	304,656
Property and equipment, net	36,571	47,393
Internal use software development costs, net	14,340	12,734
Other assets, non-current	1,197	5,493
Intangible assets, net	11,767	13,359
TOTAL ASSETS	\$330,398	\$383,635
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$198,504	\$214,103
Other current liabilities	2,899	3,141
TOTAL CURRENT LIABILITIES	201,403	217,244
Other liabilities, non-current	1,331	1,780
TOTAL LIABILITIES	202,734	219,024
Commitments and contingencies (Note 10)		
STOCKHOLDERS' EQUITY		
Preferred stock, \$0.00001 par value, 10,000 shares authorized at June 30, 2018 and December 31, 2017; 0 shares issued and outstanding at June 30, 2018 and December 31, 2017	—	—
Common stock, \$0.00001 par value; 500,000 shares authorized at June 30, 2018 and December 31, 2017; 50,750 and 50,239 shares issued and outstanding at June 30, 2018 and December 31, 2017, respectively	1	—
Additional paid-in capital	427,324	418,354
Accumulated other comprehensive income (loss)	(77)	41
Accumulated deficit	(299,584)	(253,784)
TOTAL STOCKHOLDERS' EQUITY	127,664	164,611
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$330,398	\$383,635

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

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CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share amounts)

(unaudited)

	Three Months		Six Months Ended	
	Ended			
	June 30,	June 30,	June 30,	June 30,
	2018	2017	2018	2017
Revenue	\$28,648	\$42,922	\$53,524	\$88,937
Expenses:				
Cost of revenue	15,044	13,698	29,827	28,386
Sales and marketing	11,135	12,529	23,392	27,157
Technology and development	9,245	12,044	19,739	24,797
General and administrative	11,441	14,355	23,985	29,435
Restructuring and other exit costs	974	1,621	3,440	5,959
Total expenses	47,839	54,247	100,383	115,734
Loss from operations	(19,191)	(11,325)	(46,859)	(26,797)
Other (income) expense:				
Interest income, net	(274)	(228)	(545)	(395)
Other income	(210)	(167)	(420)	(379)
Foreign exchange (gain) loss, net	(797)	479	(243)	851
Total other (income) expense, net	(1,281)	84	(1,208)	77
Loss before income taxes	(17,910)	(11,409)	(45,651)	(26,874)
Provision for income taxes	74	146	149	521
Net loss	\$ (17,984)			