

Support.com, Inc.
Form 10-Q
August 05, 2013

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, 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 No. 000-30901

SUPPORT.COM, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware 94-3282005
(State or Other Jurisdiction of Incorporation or Organization) (I.R.S. Employer Identification No.)

900 Chesapeake Drive
Redwood City, CA 94063
(Address of Principal Executive Offices)
(Zip Code)

Registrant's Telephone Number, Including Area Code: (650) 556-9440

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

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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 "small reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	Non-accelerated filer <input type="checkbox"/>	Smaller reporting company
<input type="checkbox"/>	Accelerated filer <input checked="" type="checkbox"/> (Do not check if a smaller reporting company)	<input type="checkbox"/>

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

On July 31, 2013, 51,949,331 shares of the Registrant's Common Stock, \$0.0001 par value, were outstanding.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SUPPORT.COM, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands)

	June 30, 2013 (Unaudited)	December 31, 2012 (1)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 34,710	\$ 30,852
Short-term investments	30,296	25,498
Accounts receivable, net	9,581	9,689
Prepaid expenses and other current assets	1,665	1,359
Total current assets	76,252	67,398
Property and equipment, net	478	591
Goodwill	14,240	14,240
Purchased technology, net	21	62
Intangible assets, net	4,105	4,775
Other assets	1,103	1,193
Total assets	\$ 96,199	\$ 88,259
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 668	\$ 444
Accrued compensation	1,531	1,609
Other accrued liabilities	5,423	3,969
Short-term deferred revenue	4,892	6,618
Total current liabilities	12,514	12,640
Long-term deferred revenue	71	35
Other long-term liabilities	1,561	1,421
Total Liabilities	14,146	14,096
Commitments and contingencies (Note 4)		
Stockholders' equity:		
Common stock; par value \$0.0001, 150,000,000 shares authorized; 52,645,140 issued and 51,452,542 outstanding at June 30, 2013; 50,002,587 issued and 49,809,989 outstanding at December 31, 2012	5	5
Additional paid-in capital	250,730	242,954
Treasury stock	(5,036)	(922)
Accumulated other comprehensive loss	(1,750)	(1,501)
Accumulated deficit	(161,896)	(166,373)
Total stockholders' equity	82,053	74,163

Total liabilities and stockholders' equity	\$ 96,199	\$ 88,259
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(1) Derived from the December 31, 2012 audited Consolidated Financial Statements included in our Annual Report on Form 10-K, as filed with the Securities and Exchange Commission ("SEC") on March 8, 2013.

See accompanying notes.

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SUPPORT.COM, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share amounts)

(Unaudited)

	Three Months Ended June 30, 2013		Six Months Ended June 30, 2013	
	2012	2013	2012	2013
Revenue:				
Services	\$13,744	\$16,128	\$27,509	\$32,574
Software and other	3,569	3,996	7,392	7,752
Total revenue	17,313	20,124	34,901	40,326
Cost of revenue:				
Cost of services	9,591	8,838	19,881	18,148
Cost of software and other	360	271	830	578
Total cost of revenue	9,951	9,109	20,711	18,726
Gross profit	7,362	11,015	14,190	21,600
Operating expenses:				
Research and development	1,708	1,282	3,478	2,870
Sales and marketing	4,989	4,375	11,119	8,311
General and administrative	2,850	2,354	5,764	5,117
Amortization of intangible assets and other	391	335	758	670