

Quotient Technology Inc.
Form 10-Q
May 06, 2016

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 March 31, 2016

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

Quotient Technology Inc.

(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)

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(650) 605-4600

(Registrant's Telephone Number, Including Area Code)

(Former name, former address and former fiscal year, if changed since last report)

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 May 2, 2016, the registrant had 82,923,157 shares of common stock outstanding.

QUOTIENT TECHNOLOGY INC.

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REPORT ON FORM 10-Q

FOR THE QUARTER ENDED MARCH 31, 2016

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

QUOTIENT TECHNOLOGY INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share data)

(Unaudited)

	March 31,	December 31,
	2016	2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 124,259	\$ 134,947
Short-term investments	25,000	25,000
Accounts receivable, net of allowance for doubtful accounts of \$711 and \$833 at March 31, 2016 and December 31, 2015, respectively	57,565	63,239
Prepaid expenses and other current assets	8,525	5,297
Total current assets	215,349	228,483
Property and equipment, net	22,438	25,128
Intangible assets, net	13,853	14,880
Goodwill	43,895	43,895
Other assets	8,261	8,685
Total assets	\$303,796	\$ 321,071
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$7,951	\$ 8,187
Accrued compensation and benefits	8,874	15,237
Other current liabilities	15,389	20,170
Deferred revenues	7,828	7,342
Total current liabilities	40,042	50,936
Other non-current liabilities	67	5
Deferred rent	1,801	701
Contingent consideration related to acquisitions	1,653	1,407
Deferred tax liabilities	2,561	2,532
Total liabilities	46,124	55,581
Commitments and contingencies (Note 12)		
Stockholders' equity:		
Preferred stock, \$0.00001 par value—10,000,000 shares authorized and no shares issued or outstanding at March 31, 2016 and December 31, 2015	—	—

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Common stock, \$0.00001 par value—250,000,000 shares authorized; 91,735,158

shares issued and 82,105,905 outstanding at March 31, 2016; 89,935,381

shares issued and 81,995,286 outstanding at December 31, 2015	1	1
Additional paid-in capital	581,927	570,588
Treasury stock, at cost	(96,390)	(85,427)
Accumulated other comprehensive loss	(746)	(747)
Accumulated deficit	(227,120)	(218,925)
Total stockholders' equity	257,672	265,490
Total liabilities and stockholders' equity	\$303,796	\$ 321,071

See Accompanying Notes to Condensed Consolidated Financial Statements

QUOTIENT TECHNOLOGY INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

(Unaudited)

	Three Months Ended	
	March 31, 2016	2015
Revenues	\$66,051	\$55,562
Costs and expenses:		
Cost of revenues	25,212	21,867
Sales and marketing	24,500	21,084
Research and development	13,532	12,942
General and administrative	11,250	8,491
Change in fair value of contingent consideration	(102)	(354)
Total costs and expenses	74,392	64,030
Loss from operations	(8,341)	(8,468)
Gain on sale of a right to use a web domain name	—	4,800
Interest expense	—	(80)
Other income (expense), net	192	(61)
Loss before income taxes	(8,149)	(3,809)
Provision for income taxes	46	192
Net loss	\$(8,195)	\$(4,001)
Net loss per share attributable to common stockholders, basic and diluted	\$(0.10)	\$(0.05)
Weighted-average number of common shares used in computing net loss per		
share attributable to common stockholders, basic and diluted	82,518	82,166

See Accompanying Notes to Condensed Consolidated Financial Statements

QUOTIENT TECHNOLOGY INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(In thousands)

(Unaudited)

	Three Months Ended	
	March 31, 2016	2015
Net loss	\$ (8,195)	\$ (4,001)
Other comprehensive (income) loss:		
Foreign currency translation adjustments	1	(65)
Comprehensive loss	\$ (8,194)	\$ (4,066)

See Accompanying Notes to Condensed Consolidated Financial Statements

QUOTIENT TECHNOLOGY INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

	Three Months Ended	
	March 31, 2016	2015
Cash flows from operating activities:		
Net loss	\$(8,195)	\$(4,001)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	5,128	3,908
Stock-based compensation	7,610	8,932
Amortization of debt issuance costs	—	