

RENTRAK CORP
Form 10-Q
February 07, 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 December 31, 2012

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 (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)

11,857,221
(Outstanding at February 1, 2013)

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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)

	December 31, 2012	March 31, 2012
Assets		
Current Assets:		
Cash and cash equivalents	\$4,685	\$5,526
Marketable securities	21,483	22,227
Accounts and notes receivable, net of allowances for doubtful accounts of \$712 and \$649	12,354	14,260
Deferred tax assets, net	53	48
Other current assets	1,118	985
Total Current Assets	39,693	43,046
Property and equipment, net of accumulated depreciation of \$18,868 and \$17,032	12,493	10,846
Goodwill	5,085	5,101
Other intangible assets, net of accumulated amortization of \$2,213 and \$1,579	12,647	13,165
Other assets	777	723
Total Assets	\$70,695	\$72,881
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable	\$6,476	\$5,291
Accrued liabilities	4,991	3,093
Accrued compensation	4,940	8,781
Deferred revenue and other credits	1,860	2,037
Total Current Liabilities	18,267	19,202
Deferred rent, long-term portion	1,670	1,819
Taxes payable, long-term	678	731
Deferred tax liability, long-term	71	79
Note payable and accrued interest	544	525
Total Liabilities	21,230	22,356
Commitments and Contingencies	—	—
Stockholders' Equity:		
Preferred stock, \$0.001 par value; 10,000 shares authorized; none issued	—	—
Common stock, \$0.001 par value; 30,000 shares authorized; shares issued and outstanding: 11,844 and 11,078	11	11
Capital in excess of par value	73,751	55,125
Accumulated other comprehensive income	255	341
Accumulated deficit	(25,541	) (4,952
Total Stockholders' Equity attributable to Rentrak Corporation	48,476	50,525
Noncontrolling interest	989	—
Total Stockholders' Equity	49,465	50,525
Total Liabilities and Stockholders' Equity	\$70,695	\$72,881
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		For the Nine Months Ended	
	December 31,		December 31,	
	2012	2011	2012	2011
Revenue	\$24,948	\$22,211	\$70,662	\$66,471
Cost of sales	13,847	11,590	37,343	35,229
Gross margin	11,101	10,621	33,319	31,242
Operating expenses:				
Selling and administrative	12,870	11,595	54,150	32,354
Loss from operations	(1,769	) (974	) (20,831	) (1,112
Other income:				
Interest income, net	41	133	390	348
Loss before income taxes	(1,728	) (841	) (20,441	) (764
Provision for income taxes	117	1,106	179	1,046
Net loss	(1,845	) (1,947	) (20,620	) (1,810
Net loss attributable to noncontrolling interest	(31	) —	(31)