

ACTIVE NETWORK INC
Form 10-Q
August 02, 2013
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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 June 30, 2013

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: 001-35187

The Active Network, Inc.

(Exact name of registrant as specified in its charter)

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Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

33-0884962
(I.R.S. Employer
Identification No.)

10182 Telesis Court

San Diego, California 92121

(Address of Principal Executive Offices) (Zip Code)

(858) 964-3800

(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 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 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", "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 registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of July 30, 2013, the registrant had 62,363,680 shares of Common Stock (\$0.001 par value) outstanding.

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The Active Network, Inc.

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THE ACTIVE NETWORK, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS****(In thousands, except par value)**

	June 30, 2013 (Unaudited)	December 31, 2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 108,135	\$ 58,493
Restricted cash	624	1,145
Registrations receivable	31,281	16,260
Accounts receivable, net	52,980	51,363
Inventories	4,588	4,809
Prepaid expenses and other current assets	11,151	8,922
Total current assets	208,759	140,992
Property and equipment, net	44,527	41,236
Software development costs, net	49,869	51,151
Goodwill	242,369	243,716
Intangible assets, net	51,607	62,806
Other long-term assets	2,536	2,569
Total assets	\$ 599,667	\$ 542,470
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 6,383	\$ 8,174
Registration fees payable	117,242	61,272
Accrued expenses	42,826	38,865
Deferred revenue	73,207	66,846
Capital lease obligations, current portion	2,319	2,774
Other current liabilities	3,719	4,373
Total current liabilities	245,696	182,304
Capital lease obligations, net of current portion	1,793	2,462
Other long-term liabilities	6,039	6,192
Deferred tax liability	20,707	19,065
Total liabilities	274,235	210,023
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Preferred stock, \$0.001 par value authorized, 100,000 shares; no shares issued and outstanding		
Common stock, \$0.001 par value authorized, 1,000,000; issued, 64,037 and 60,670; outstanding, 62,262 and 60,894	62	62
Treasury stock (at cost, 1,776 shares)	(11,959)	(11,959)
Additional paid-in capital	667,936	653,694

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Accumulated other comprehensive income	7,377	8,934
Accumulated deficit	(337,984)	(318,284)
Total stockholders' equity	325,432	332,447
Total liabilities and stockholders' equity	\$ 599,667	\$ 542,470

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

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	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Net Revenue:				
Technology revenue	\$ 119,473	\$ 108,155	\$ 214,463	\$ 192,275
Marketing services revenue	12,887	13,409	23,908	23,727
Total net revenue	132,360	121,564	238,371	216,002
Cost of net revenue:				
Cost of technology revenue	56,413	50,812	105,459	96,467
Cost of marketing services revenue	1,024	2,115	2,215	3,431
Total cost of net revenue	57,437	52,927	107,674	99,898
Gross profit	74,923	68,637	130,697	116,104
Operating expenses:				
Sales and marketing	27,148	24,284	53,974	49,308
Research and development	21,496	21,121	42,672	42,330
General and administrative	25,031	16,903	41,539	33,447
Amortization of intangibles	3,986	5,596	8,440	11,288
Total operating expenses	77,661	67,904	146,625	136,373
(Loss) income from operations	(2,738)	733	(15,928)	(20,269)
Interest income	16	25	31	50
Interest expense	(153)	(90)	(335)	(241)
Other income (expense), net	(470)	(524)	(1,023)	877
(Loss) income before provision for income taxes	(3,345)	144	(17,255)	(19,583)
Provision for income taxes	1,127	2,469	2,445	3,080
Net loss attributable to common stockholders	\$ (4,472)	\$ (2,325)	\$ (19,700)	\$ (22,663)
Net loss per share attributable to common stockholders:				
Basic	\$ (0.07)	\$ (0.04)	\$ (0.32)	\$ (0.39)
Diluted	\$ (0.07)	\$ (0.04)	\$ (0.32)	\$ (0.39)
Weighted-average shares used to compute net loss per share attributable to common stockholders:				
Basic	61,611	58,322	61,190	57,655
Diluted	61,611	58,322	61,190	57,655

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

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THE ACTIVE NETWORK, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(In thousands)

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Net loss	\$ (4,472)	\$ (2,325)	\$ (19,700)	\$ (22,663)
Other comprehensive loss:				
Foreign currency translation	(1,004)	(923)	(1,557)	(37)
Total other comprehensive loss	(1,004)	(923)	(1,557)	(37)
Comprehensive loss	\$ (5,476)	\$ (3,248)	\$ (21,257)	\$ (22,700)

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

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THE ACTIVE NETWORK, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

	Six Months Ended June 30,	
	2013	2012
Operating activities		
Net loss		\$ (19,700)