

Carbonite Inc
Form 10-Q
November 09, 2015
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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 September 30, 2015

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: 001-35264

CARBONITE, INC.
(Exact name of registrant as specified in its charter)

Delaware 33-1111329
(State or other jurisdiction of (I.R.S. Employer
incorporation) Identification No.)
Two Avenue de Lafayette, Boston, Massachusetts 02111
(Address of principal executive offices, including ZIP code)
(617) 587-1100
(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 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. (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

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As of October 30, 2015, there were 27,253,229 shares of the registrant's Common Stock, par value \$0.01 per share, outstanding.

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CARBONITE, INC.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Carbonite, Inc.

Condensed Consolidated Balance Sheets

(Unaudited)

	September 30, 2015	December 31, 2014
	(in thousands, except share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$61,623	\$46,084
Marketable securities	1,002	15,031
Trade accounts receivable, less allowances for doubtful accounts of \$162 and \$156	3,533	2,412
Prepaid expenses and other current assets	3,867	5,224
Restricted cash	—	828
Total current assets	70,025	69,579
Property and equipment, net	23,887	25,944
Other assets	1,679	2,181
Acquired intangible assets, net	9,004	10,322
Goodwill	23,405	23,728
Total assets	\$128,000	\$131,754
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$7,234	\$7,346
Accrued expenses	12,443	10,506
Current portion of deferred revenue	78,805	75,494
Total current liabilities	98,482	93,346
Deferred revenue, net of current portion	17,647	15,930
Other long-term liabilities	7,340	7,940
Total liabilities	123,469	117,216
Commitments and contingencies (Note 11)		
Stockholders' equity:		
Preferred stock, \$0.01 par value; 6,000,000 shares authorized; no shares issued	—	—
Common stock, \$0.01 par value; 45,000,000 shares authorized at September 30, 2015 and December 31, 2014; 27,498,871 and 27,207,723 shares issued at September 30, 2015 and December 31, 2014, respectively	275	272
Additional paid-in capital	162,173	152,920
Treasury stock, at cost (279,694 and 2,009 shares as of September 30, 2015 and December 31, 2014, respectively)	(3,045)	(22)
Accumulated other comprehensive income	1,472	696
Accumulated deficit	(156,344)	(139,328)
Total stockholders' equity	4,531	14,538
Total liabilities and stockholders' equity	\$128,000	\$131,754
The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.		

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Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
	(in thousands, except share and per share amounts)			
Revenue	\$34,553	\$31,274	\$101,551	\$90,706
Cost of revenue	9,774	9,585	29,588	28,566
Gross profit	24,779	21,689	71,963	62,140
Operating expenses:				
Research and development	7,123	6,114	21,500	17,689
General and administrative	10,273	3,997	25,473	11,348
Sales and marketing	12,860	12,056	40,811	37,061
Restructuring charges	224	3	349	12
Total operating expenses	30,480	22,170	88,133	66,110
Loss from operations	(5,701)	) (481)	) (16,170)	) (3,970)
Interest and other income (expense), net	139	(208)	) 165	(217)
Loss before income taxes	(5,562)	) (689)	) (16,005)	) (4,187)
Provision for income taxes	404	10	1,011	30
Net loss	\$(5,966)	) \$(699)	) \$(17,016)	) \$(4,217)
Basic and diluted net loss per share	\$(0.22)	) \$(0.03)) \$	