

Qumu Corp
Form 10-Q
May 09, 2014
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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 March 31, 2014; 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: 000-20728

QUMU CORPORATION

(Exact name of registrant as specified in its charter)

Minnesota
(State or other jurisdiction of incorporation or organization)

41-1577970
(I.R.S. Employer Identification No.)

7725 Washington Avenue South, Minneapolis, MN 55439
(Address of principal executive offices)

952-683-7900
(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 (as defined in Rule 12b-2 of the Exchange Act):

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer 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

Common Stock outstanding at April 30, 2014 – 8,684,568 shares of \$.01 par value Common Stock.

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PART 1 – FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

QUMU CORPORATION AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

(unaudited - in thousands, except share data)

	March 31, 2014	December 31, 2013
Assets		
Current assets:		
Cash and cash equivalents	\$28,279	\$37,725
Marketable securities	18,229	13,233
Receivables, net of allowance for doubtful accounts and sales returns of \$105 and \$217, respectively	12,567	12,236
Inventories	4,591	4,102
Prepaid income taxes	971	1,346
Prepaid expenses and other current assets	4,203	2,907
Deferred income taxes - current	262	200
Total current assets	69,102	71,749
Property and equipment, net of accumulated depreciation and amortization of \$15,586 and \$15,829, respectively	5,337	5,419
Intangible assets, net of amortization of \$2,621 and \$2,277, respectively	8,225	8,578
Deferred income taxes - non-current	85	85
Other assets - non-current	3,315	3,315
Total assets	\$86,064	\$89,146
Liabilities and Stockholders' Equity		
Current liabilities:		
Trade accounts payable	\$5,720	\$5,282
Accrued compensation	5,084	7,567
Other accrued expenses	664	603
Deferred revenue	11,634	9,550
Other current liabilities	31	26
Total current liabilities	23,133	23,028
Long-term liabilities:		
Deferred revenue - non-current	3,062	2,902
Income taxes payable - non-current	117	116
Other non-current liabilities	547	519
Total long-term liabilities	3,726	3,537
Total liabilities	26,859	26,565
Commitments and contingencies (Note 10)	—	—
Stockholders' equity:		
Preferred stock, \$0.01 par value, authorized 250,000 shares, no shares issued and outstanding	—	—
Common stock, \$0.01 par value, authorized 29,750,000 shares, issued and outstanding 8,684,042 and 8,674,029, respectively	87	87
Additional paid-in capital	58,944	58,411
Retained earnings (accumulated deficit)	(7) 3,921
Accumulated other comprehensive income	181	162
Total stockholders' equity	59,205	62,581
Total liabilities and stockholders' equity	\$86,064	\$89,146

See accompanying notes to condensed consolidated financial statements.

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QUMU CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
(unaudited - in thousands, except per share data)

	Three Months Ended March 31,	
	2014	2013
Revenues:		
Product	\$13,065	\$14,069
Service	5,727	5,427
Total revenues	18,792	19,496
Cost of revenues:		
Product	6,756	7,265
Service	3,474	2,997
Total cost of revenues	10,230	10,262
Gross profit	8,562	9,234
Operating expenses:		
Research and development	2,708	3,357
Selling, general and administrative	9,863	9,716
Amortization of purchased intangibles	157	157
Total operating expenses	12,728	13,230
Operating loss	(4,166)	(3,996)
Other income (expense):		
Interest, net	13	11
Loss on currency exchange	(35)	(107)
Other, net	211	(1)
Total other income (expense), net	189	(97)
Loss before income taxes	(3,977)	(4,093)
Income tax benefit	(49)	(54)
Net loss	(3,928)	