

Carbonite Inc
Form 10-Q
May 06, 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 March 31, 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 April 30, 2015, there were 27,332,782 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)

	March 31, 2015	December 31, 2014
	(in thousands, except share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$59,039	\$46,084
Marketable securities	5,499	15,031
Trade accounts receivable, less allowances for doubtful accounts of \$136 and \$156	3,141	2,412
Prepaid expenses and other current assets	6,318	5,224
Restricted cash	829	828
Total current assets	74,826	69,579
Property and equipment, net	24,582	25,944
Other assets	1,923	2,181
Acquired intangible assets, net	9,037	10,322
Goodwill	22,350	23,728
Total assets	\$132,718	\$131,754
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$6,468	\$7,346
Accrued expenses	10,084	10,506
Current portion of deferred revenue	78,950	75,494
Total current liabilities	95,502	93,346
Deferred revenue, net of current portion	16,057	15,930
Other long-term liabilities	7,780	7,940
Total liabilities	119,339	117,216
Commitments and contingencies (Note 9)		
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 March 31, 2015 and December 31, 2014; 27,332,282 and 27,207,723 shares issued at March 31, 2015 and December 31, 2014, respectively	273	272
Additional paid-in capital	156,644	152,920
Treasury stock, at cost (2,009 shares)	(22	) (22
Accumulated other comprehensive income	2,042	696
Accumulated deficit	(145,558	) (139,328
Total stockholders' equity	13,379	14,538
Total liabilities and stockholders' equity	\$132,718	\$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 March 31,	
	2015	2014
	(in thousands, except share and per share amounts)	
Revenue	\$33,026	\$29,137
Cost of revenue	10,014	9,260
Gross profit	23,012	19,877
Operating expenses:		
Research and development	6,929	5,422
General and administrative	7,576	3,520
Sales and marketing	14,381	11,873
Restructuring charges	119	4
Total operating expenses	29,005	20,819
Loss from operations	(5,993	) (942
Interest and other (expense) income, net	(33	) (30
Loss before income taxes	(6,026	) (972
Provision for income taxes	204	10
Net loss	\$(6,230	) \$(982
Basic and diluted net loss per share	\$(0.23	) \$(0.04
Weighted-average number of common shares used in computing basic and diluted net loss per share	27,239,201	26,583,158

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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Carbonite, Inc.
 Condensed Consolidated Statements of Comprehensive Loss
 (Unaudited)

	Three Months Ended		
	March 31,		
	2015	2014	
	(in thousands)		
Net loss	\$ (6,230	) \$ (982)
Other comprehensive income (loss):			
Net unrealized gain (loss) on marketable securities	7	(2)
Foreign currency translation adjustments	1,339	(24)
Total other comprehensive income (loss)	1,346	(26)
Total comprehensive loss	\$ (4,884	) \$ (1,008)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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Carbonite, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended March 31,	
	2015	2014
	(in thousands)	
Operating activities		
Net loss	\$(6,230	) \$(982
Adjustments to reconcile net loss to net cash provided by operating activities:)