

Edgar Filing: Angie's List, Inc. - Form 10-Q

Angie's List, Inc.
Form 10-Q
July 24, 2014
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the quarterly period ended June 30, 2014

.. 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 001-35339

ANGIE'S LIST, INC.
(Exact name of registrant as specified in its charter)

Delaware	27-2440197
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
1030 E. Washington Street	46202
Indianapolis, IN	
(Address of principal executive offices)	(Zip Code)

(888) 888-5478
(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 x No ..

Indicate by check mark whether the registrant has submitted electronically and posted to 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 x 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 x Accelerated filer ..

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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

The number of shares of registrant's common stock outstanding as of July 21, 2014 was 58,516,677.

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Angie's List, Inc.

Consolidated Balance Sheets

(in thousands, except share data)

	June 30, 2014 (Unaudited)	December 31, 2013
Assets		
Cash and cash equivalents	\$35,866	\$34,803
Restricted cash	50	50
Short-term investments	21,188	21,055
Accounts receivable, net of allowance for doubtful accounts of \$1,609 and \$1,107 at June 30, 2014 and December 31, 2013, respectively	13,110	12,385
Prepaid expenses and other current assets	18,342	13,651
Total current assets	88,556	81,944
Property, equipment and software, net	34,789	18,657
Goodwill	1,145	1,145
Amortizable intangible assets, net	3,372	3,500
Other assets, noncurrent	518	397
Total assets	\$128,380	\$105,643
Liabilities and stockholders' deficit		
Accounts payable	\$20,858	\$6,838
Accrued liabilities	40,716	21,770
Deferred membership revenue	36,314	35,560
Deferred advertising revenue	45,392	39,448
Current portion of obligations under leases	196	—
Total current liabilities	143,476	103,616
Long-term debt, including accrued interest	14,943	14,918
Deferred membership revenue, noncurrent	4,949	4,909
Deferred advertising revenue, noncurrent	495	521
Obligations under leases	407	—
Other liabilities, noncurrent	710	169
Total liabilities	164,980	124,133
Commitments and contingencies (Note 9)		
Stockholders' deficit:		
Preferred stock, \$0.001 par value: 10,000,000 shares authorized, no shares issued or outstanding at June 30, 2014 and December 31, 2013	—	—
Common stock, \$0.001 par value: 300,000,000 shares authorized, 67,075,389 and 67,014,757 shares issued and 58,516,677 and 58,456,045 shares outstanding at June 30, 2014 and December 31, 2013, respectively	67	67
Additional paid-in-capital	261,534	257,505
Treasury stock, at cost: 8,558,712 shares of common stock at June 30, 2014 and December 31, 2013	(23,719) (23,719)
Accumulated deficit	(274,482) (252,343)
Total stockholders' deficit	(36,600) (18,490)

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Total liabilities and stockholders' deficit	\$128,380	\$105,643
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See accompanying notes.

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Angie's List, Inc.

Consolidated Statements of Operations

(in thousands, except share and per share data)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2014	2013	2014	2013
	(Unaudited)		(Unaudited)	
Revenue				
Membership	\$18,516	\$15,911	\$36,816	\$30,548
Service provider	60,380	43,304	114,737	80,838
Total revenue	78,896	59,215	151,553	111,386
Operating expenses				
Operations and support	13,746	10,104	25,294	18,402
Selling	30,278	21,977	56,400	41,622
Marketing	35,920	27,959	59,401	47,681