

LIVEPERSON INC
Form 10-Q
May 08, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2018

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: 000-30141

LIVEPERSON, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware 13-3861628

(State or Other Jurisdiction of
Incorporation or Organization) (IRS Employer Identification No.)

475 Tenth Avenue, 5th Floor 10018
New York, New York

(Address of Principal Executive Offices) (Zip Code)

(212) 609-4200

(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 definition 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 •• Smaller reporting company ••

(Do not check if a smaller reporting company) Emerging growth company ••

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ••

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes •• No ✓

On May 1, 2018, 60,717,887 shares of the registrant's common stock were outstanding.

LIVEPERSON, INC.
 March 31, 2018
 FORM 10-Q
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FORWARD-LOOKING STATEMENTS

STATEMENTS IN THIS REPORT ABOUT LIVEPERSON, INC. THAT ARE NOT HISTORICAL FACTS ARE FORWARD-LOOKING STATEMENTS BASED ON OUR CURRENT EXPECTATIONS, ASSUMPTIONS, ESTIMATES AND PROJECTIONS ABOUT LIVEPERSON AND OUR INDUSTRY. THESE FORWARD-LOOKING STATEMENTS ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL FUTURE EVENTS OR RESULTS TO DIFFER MATERIALLY FROM SUCH STATEMENTS. ANY SUCH FORWARD-LOOKING STATEMENTS ARE MADE PURSUANT TO THE SAFE HARBOR PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. IT IS ROUTINE FOR OUR INTERNAL PROJECTIONS AND EXPECTATIONS TO CHANGE AS THE YEAR OR EACH QUARTER IN THE YEAR PROGRESSES, AND THEREFORE IT SHOULD BE CLEARLY UNDERSTOOD THAT THE INTERNAL PROJECTIONS AND BELIEFS UPON WHICH WE BASE OUR EXPECTATIONS MAY CHANGE PRIOR TO THE END OF EACH QUARTER OR THE YEAR. ALTHOUGH THESE EXPECTATIONS MAY CHANGE, WE ARE UNDER NO OBLIGATION TO INFORM YOU IF THEY DO. OUR COMPANY POLICY IS GENERALLY TO PROVIDE OUR EXPECTATIONS ONLY ONCE PER QUARTER, AND NOT TO UPDATE THAT INFORMATION UNTIL THE NEXT QUARTER. ACTUAL EVENTS OR RESULTS MAY DIFFER MATERIALLY FROM THOSE CONTAINED IN THE PROJECTIONS OR FORWARD-LOOKING STATEMENTS. FACTORS THAT COULD CAUSE OR CONTRIBUTE TO SUCH DIFFERENCES INCLUDE THOSE DISCUSSED IN PART II, ITEM 1A, "RISK FACTORS."

Part I. Financial Information

Item 1. Financial Statements

LIVEPERSON, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(IN THOUSANDS)

(UNAUDITED)

	March 31, 2018	December 31, 2017 (Note 1)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$57,480	\$ 56,115
Cash held as collateral	216	1,451
Accounts receivable, net of allowance for doubtful accounts of \$1,553 and \$1,318 as of March 31, 2018 and December 31, 2017, respectively	45,897	37,926
Prepaid expenses and other current assets	13,194	7,352
Total current assets	116,787	102,844
Property and equipment, net	36,328	34,705
Intangibles, net	12,937	12,366
Goodwill	80,595	80,531
Deferred tax assets	791	753
Other assets	1,622	1,600
Total assets	\$249,060	\$ 232,799
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$5,602	\$ 5,481
Accrued expenses and other current liabilities	38,211	48,011
Deferred revenue	52,374	35,563
Total current liabilities	96,187	89,055
Deferred revenue	3,110	—
Other liabilities	2,679	2,766
Deferred tax liability	967	915
Total liabilities	102,943	92,736
Commitments and contingencies		
STOCKHOLDERS' EQUITY:		
Common stock	60	60
Additional paid-in capital	313,698	305,676
Treasury stock	(3) (3
Accumulated deficit	(165,662) (163,135
Accumulated other comprehensive loss	(1,976) (2,535
Total stockholders' equity	146,117	140,063
Total liabilities and stockholders' equity	\$249,060	\$ 232,799

See Notes to Condensed Consolidated Financial Statements (unaudited).

LIVEPERSON, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)
 (UNAUDITED)

	Three Months Ended	
	March 31,	
	2018	2017
Revenue	\$58,241	\$50,919
Costs and expenses ^{(1) (2)}		
Cost of revenue ⁽³⁾	13,954	13,781
Sales and marketing	24,131	21,700
General and administrative	10,123	9,692
Product development	13,252	9,958
Restructuring costs	178	240
Amortization of purchased intangibles	424	472
Total costs and expenses	62,062	55,843
Loss from operations	(3,821)	(4,924)
Other income, net	129	320
Loss before (benefit from) provision for income taxes	(3,692)	(4,604)
(Benefit from) provision for income taxes	(489)	1,072
Net loss	\$(3,203)	\$(5,676)

Net loss per share of common stock: