

BOINGO WIRELESS INC
Form 10-Q
August 04, 2017
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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 June 30, 2017

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: 001-35155

BOINGO WIRELESS, INC.

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of
incorporation or organization)

95-4856877
(I.R.S. Employer
Identification No.)

10960 Wilshire Blvd., 23rd Floor
Los Angeles, California
(Address of principal executive offices)

90024
(Zip Code)

(310) 586-5180

(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 (§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 No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of large accelerated filer, accelerated filer, smaller reporting company and emerging growth 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

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

As of July 28, 2017, there were 40,109,093 shares of the registrant's common stock outstanding.

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Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements****Boingo Wireless, Inc.****Condensed Consolidated Balance Sheets****(Unaudited)****(In thousands, except per share amounts)**

	June 30, 2017	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 22,321	\$ 19,485
Accounts receivable, net	26,989	42,978
Prepaid expenses and other current assets	6,113	5,344
Total current assets	55,423	67,807
Property and equipment, net	258,744	250,765
Goodwill	42,403	42,403
Intangible assets, net	11,951	13,783
Other assets	5,945	6,223
Total assets	\$ 374,466	\$ 380,981
Liabilities and stockholders equity		
Current liabilities:		
Accounts payable	\$ 15,229	\$ 15,516
Accrued expenses and other liabilities	34,987	27,723
Deferred revenue	61,648	50,869
Current portion of long-term debt	875	1,094
Current portion of capital leases and notes payable	4,527	3,993
Total current liabilities	117,266	99,195
Deferred revenue, net of current portion	144,538	152,719
Long-term debt	5,438	15,875
Long-term portion of capital leases and notes payable	4,393	4,612
Deferred tax liabilities	3,451	3,208
Other liabilities	6,627	6,826
Total liabilities	281,713	282,435
Commitments and contingencies (Note 8)		
Stockholders equity:		
Preferred stock, \$0.0001 par value; 5,000 shares authorized; no shares issued and outstanding		
Common stock, \$0.0001 par value; 100,000 shares authorized; 39,757 and 38,562 shares issued and outstanding at June 30, 2017 and December 31, 2016, respectively	4	4
Additional paid-in capital	220,261	211,275

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Accumulated deficit	(127,498)	(112,601)
Accumulated other comprehensive loss	(901)	(870)
Total common stockholders' equity	91,866	97,808
Non-controlling interests	887	738
Total stockholders' equity	92,753	98,546
Total liabilities and stockholders' equity	\$ 374,466	\$ 380,981

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

Table of Contents**Boingo Wireless, Inc.****Condensed Consolidated Statements of Operations****(Unaudited)****(In thousands, except per share amounts)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Revenue	\$ 49,033	\$ 39,075	\$ 93,366	\$ 73,574
Costs and operating expenses:				
Network access	21,105	16,915	40,512	31,593
Network operations	11,668	10,418	22,931	20,868
Development and technology	6,663	5,267	12,997	10,620
Selling and marketing	5,094	4,882	9,987	9,550
General and administrative	11,263	7,700	19,366	15,852
Amortization of intangible assets	910	862	1,821	1,727
Total costs and operating expenses	56,703	46,044	107,614	90,210
Loss from operations	(7,670)	(6,969)	(14,248)	(16,636)
Interest and other expense, net	(46)	(152)	(42)	(182)
Loss before income taxes	(7,716)	(7,121)	(14,290)	(16,818)
Income tax expense	141	124	340	362
Net loss	(7,857)	(7,245)	(14,630)	(17,180)
Net income attributable to non-controlling interests	160	21	267	70
Net loss attributable to common stockholders	\$ (8,017)	\$ (7,266)	\$ (14,897)	\$ (17,250)
Net loss per share attributable to common stockholders:				
Basic	\$ (0.20)	\$ (0.19)	\$ (0.38)	\$ (0.46)
Diluted	\$ (0.20)	\$ (0.19)	\$ (0.38)	\$ (0.46)
Weighted average shares used in computing net loss per share attributable to common stockholders:				
Basic	39,286	37,944	38,997	37,749
Diluted	39,286	37,944	38,997	37,749

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

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Boingo Wireless, Inc.

Condensed Consolidated Statements of Comprehensive Income (Loss)

(Unaudited)

(In thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net loss	\$ (7,857)	\$ (7,245)	\$ (14,630)	\$ (17,180)
Other comprehensive (loss) income, net of tax				
Foreign currency translation adjustments	(70)	131	(24)	224
Comprehensive loss	(7,927)	(7,114)	(14,654)	(16,956)
Comprehensive income (loss) attributable to non-controlling interest	183	(26)	274	(12)
Comprehensive loss attributable to common stockholders	\$ (8,110)	\$ (7,088)	\$ (14,928)	\$ (16,944)

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

Table of Contents**Boingo Wireless, Inc.****Condensed Consolidated Statement of Stockholders Equity****(Unaudited)****(In thousands)**

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Non- controlling Interests	Total Stockholders Equity
Balance at December 31, 2016	38,562	\$ 4	\$ 211,275	\$ (112,601)	\$ (870)	\$ 738	\$ 98,546
Issuance of common stock under stock incentive plans	1,195		3,624				3,624
Shares withheld for taxes			(2,458)				(2,458)
Stock-based compensation expense			7,820				7,820
Non-controlling interest distributions						(125)	(125)
Net loss				(14,897)		267	(14,630)
Other comprehensive (loss) income					(31)	7	(24)
Balance at June 30, 2017	39,757	\$ 4	\$ 220,261	\$ (127,498)	\$ (901)	\$	