

Alarm.com Holdings, Inc.
Form 10-Q
August 14, 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 June 30, 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: 001-37461

ALARM.COM HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware	26-4247032
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
8150 Leesburg Pike, Vienna, VA	22182
(Address of principal executive offices)	(zip code)

Tel: (877) 389-4033
(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, 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.

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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

As of July 31, 2015, there were 45,567,123 outstanding shares of the registrant's common stock, par value of \$0.01 per share.

ALARM.COM®

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

ALARM.COM HOLDINGS, INC.

Condensed Consolidated Statements of Operations

(in thousands, except share and per share data)

(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Revenue:				
SaaS and license revenue	\$34,134	\$26,975	\$66,089	\$52,179
Hardware and other revenue	17,815	15,103	31,871	26,750
Total revenue	51,949	42,078	97,960	78,929
Cost of revenue: (1)				
Cost of SaaS and license revenue	6,297	5,669	12,330	10,677
Cost of hardware and other revenue	14,190	12,354	24,966	21,347
Total cost of revenue	20,487	18,023	37,296	32,024
Operating expenses:				
Sales and marketing	8,064	6,670	15,980	11,766
General and administrative	8,514	7,209	15,584	12,429
Research and development	9,079	5,764	16,831	10,374
Amortization and depreciation	1,528	850	2,866	1,656
Total operating expenses	27,185	20,493	51,261	36,225
Operating income	4,277	3,562	9,403	10,680
Interest expense	(42)	(55)	(84)	(113)
Other (expense) / income, net	(62)	—	(55)	10
Income before income taxes	4,173	3,507	9,264	10,577
Provision for income taxes	1,664	1,431	3,714	4,228
Net income	2,509	2,076	5,550	6,349
Dividends paid to participating securities	(18,987)	—	(18,987)	—
Income allocated to participating securities	—	(1,988)	—	(6,104)
Net (loss) / income attributable to common stockholders	\$(16,478)	\$88	\$(13,437)	\$245
Per share information attributable to common stockholders:				
Net (loss) / income per share:				
Basic	\$(6.09)	\$0.04	\$(5.03)	\$0.12
Diluted	\$(6.09)	\$0.02	\$(5.03)	\$0.07
Weighted average common shares outstanding:				
Basic	2,706,369	2,328,820	2,671,783	2,100,364
Diluted	2,706,369	3,718,440	2,671,783	3,569,283
Cash dividends declared per share	\$0.36	\$—	\$0.36	\$—

(1) Exclusive of amortization and depreciation shown below.

See accompanying notes to the condensed consolidated financial statements.

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ALARM.COM HOLDINGS, INC.

Condensed Consolidated Statements of Comprehensive Income

(in thousands)

(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net income	\$2,509			