

IMMERSION CORP
Form 10-Q
October 30, 2015

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 September 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 000-27969

IMMERSION CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

50 Rio Robles, San Jose, California 95134
(Address of principal executive offices)(Zip Code)
(408) 467-1900

(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, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

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

Number of shares of common stock outstanding at October 22, 2015: 28,284,981.

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FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTSIMMERSION CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)
(Unaudited)

	September 30, 2015	December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$33,167	\$14,380
Short-term investments	33,990	42,981
Accounts and other receivables (net of allowances for doubtful accounts of \$22 and \$28)	1,503	3,021
Deferred income taxes	2,921	9,377
Prepaid expenses and other current assets	3,022	845
Total current assets	74,603	70,604
Property and equipment, net	4,778	1,207
Deferred income tax assets	21,458	25,419
Prepaid income taxes	7,495	—
Intangibles and other assets, net	269	291
Total assets	\$108,603	\$97,521
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$1,539	\$669
Accrued compensation	3,631	1,906
Other current liabilities	1,639	2,225
Deferred revenue	12,664	7,779
Total current liabilities	19,473	12,579
Long-term deferred revenue	3,983	7,827
Other long-term liabilities	752	512
Total liabilities	24,208	20,918
Contingencies (Note 12)		
Stockholders' equity:		
Common stock and additional paid-in capital — \$0.001 par value; 100,000,000 shares authorized; 34,795,372 and 34,225,778 shares issued, respectively; 28,284,981 and 27,715,387 shares outstanding, respectively	210,939	204,876
Accumulated other comprehensive income	111	102
Accumulated deficit	(81,086) (82,806)
Treasury stock at cost: 6,510,391 shares	(45,569) (45,569)
Total stockholders' equity	84,395	76,603
Total liabilities and stockholders' equity	\$108,603	\$97,521
See accompanying Notes to Condensed Consolidated Financial Statements.		

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IMMERSION CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
AND COMPREHENSIVE INCOME

(In thousands, except per share amounts)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Revenues:				
Royalty and license	\$ 13,944	\$ 11,714	\$ 45,895	\$ 38,473
Development, services, and other	369	337	928	845
Total revenues	14,313	12,051	46,823	39,318
Costs and expenses:				
Cost of revenues (exclusive of amortization of intangibles shown separately below)	117	104	347	325
Sales and marketing	3,198	2,238	11,078	7,638
Research and development	3,471	2,718	10,697	8,782
General and administrative	6,241	5,274	21,253	17,745
Amortization of intangibles	3	15	18	55
Total costs and expenses	13,030	10,349	43,393	34,545
Operating income	1,283	1,702	3,430	