

DHI GROUP, INC.
Form 10-Q
May 02, 2019
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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 quarter ended March 31, 2019

OR
TRANSITION PERIOD PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM _____ TO _____
Commission File Number: 001-33584

DHI Group, Inc.
(Exact name of Registrant as specified in its Charter)

Delaware	20-3179218
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1450 Broadway, 29th Floor
New York, New York 10018
(Address of principal executive offices) (Zip Code)
(212) 725-6550

(Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:

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, smaller reporting company, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer
Smaller Reporting Company Emerging Growth Company

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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 April 26, 2019, there were 55,036,008 shares of the registrant's common stock, par value \$.01 per share, outstanding.

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PART I

ITEM 1. Financial Statements

DHI GROUP, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(unaudited)

(in thousands, except per share data)

	March 31, 2019	December 31, 2018
ASSETS		
Current assets		
Cash	\$4,694	\$ 6,472
Accounts receivable, net of allowance for doubtful accounts of \$694 and \$647	25,157	22,850
Income taxes receivable	662	2,203
Prepaid and other current assets	6,545	7,330
Total current assets	37,058	38,855
Fixed assets, net		
Acquired intangible assets, net	16,646	15,890
Capitalized contract costs	39,000	39,000
Goodwill	7,259	7,939
Deferred income taxes	155,382	153,974
Operating lease right-of-use asset	143	136
Other assets	17,533	—
Total assets	2,555	2,591
	\$275,576	\$ 258,385
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	\$17,532	\$ 25,030
Operating lease liabilities	3,926	—
Deferred revenue	59,954	54,723
Income taxes payable	1,128	1,168
Total current liabilities	82,540	80,921
Long-term debt, net		
Deferred income taxes	16,325	17,288
Deferred revenue	10,402	10,444
Accrual for unrecognized tax benefits	1,058	1,363
Operating lease liabilities	1,801	1,680
Other long-term liabilities	14,250	—
Total liabilities	385	1,334
	126,761	113,030
Commitments and Contingencies (Note 11)		
Stockholders' equity		
Convertible preferred stock, \$.01 par value, authorized 20,000 shares; no shares issued and outstanding	—	—
Common stock, \$.01 par value, authorized 240,000; issued 69,535 and 87,522 shares, respectively; outstanding: 54,945 and 53,396 shares, respectively	697	876
Additional paid-in capital	222,981	383,123
Accumulated other comprehensive loss	(29,820)	(31,236)
Accumulated earnings	73,023	71,435
Treasury stock, 14,590 and 34,126 shares, respectively	(118,066)	(278,843)
Total stockholders' equity	148,815	145,355

Total liabilities and stockholders' equity	\$275,576	\$ 258,385
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See accompanying notes to the condensed consolidated financial statements.

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DHI GROUP, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (unaudited)
 (in thousands, except per share amounts)

	Three Months Ended March 31,	
	2019	2018
Revenues	\$37,120	\$43,071
Operating expenses:		
Cost of revenues	3,825	5,157
Product development	4,196	5,463
Sales and marketing	14,279	16,267
General and administrative	7,928	10,382
Depreciation	2,425	2,290
Amortization of intangible assets	—	291
Disposition related and other costs (Note 13)	875	1,011
Total operating expenses	33,528	40,861
Gain on sale of businesses, net (Note 4)	—	4,639
Operating income	3,592	6,849
Interest expense and other	(105)	