

Cinedigm Corp.
Form 10-Q
August 12, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal period ended: June 30, 2015

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from --- to ---

Commission File Number: 000-31810

Cinedigm Corp.
(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of Incorporation or
Organization)

22-3720962
(I.R.S. Employer Identification No.)

902 Broadway, 9th Floor New York, NY
(Address of principal executive offices)
(212) 206-8600
(Registrant's telephone number, including area code)

10010
(Zip Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
CLASS A COMMON STOCK, PAR VALUE \$0.001 PER
SHARE

Name of each exchange on which registered
NASDAQ GLOBAL MARKET

Securities registered pursuant to Section 12(g) of the Act: NONE

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 ☐

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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.

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Smaller reporting company ☐

(Do not check if a smaller reporting company)

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

As of August 7, 2015, 74,946,814 shares of Class A Common Stock, \$0.001 par value were outstanding, which number includes 11,791,384 shares subject to our forward purchase transaction.

CINEDIGM CORP.
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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

CINEDIGM CORP.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except for share and per share data)

	June 30, 2015 (Unaudited)	March 31, 2015
ASSETS		
Current assets		
Cash and cash equivalents	\$29,247	\$18,999
Accounts receivable, net	55,910	59,591
Inventory	3,079	3,210
Unbilled revenue	4,931	5,065
Prepaid and other current assets	18,884	19,950
Note receivable, current portion	130	128
Total current assets	112,181	106,943
Restricted cash	6,751	6,751
Security deposits	156	156
Property and equipment, net	89,784	98,561
Intangible assets, net	30,328	31,784
Goodwill	26,701	26,701
Debt issuance costs, net	9,904	7,586
Accounts receivable, long-term	1,187	1,208
Note receivable, net of current portion	16	15
Total assets	\$277,008	\$279,705

See accompanying notes to Condensed Consolidated Financial Statements

CINEDIGM CORP.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except for share and per share data)

(continued)

	June 30, 2015 (Unaudited)	March 31, 2015
LIABILITIES AND DEFICIT		
Current liabilities		
Accounts payable and accrued expenses	\$72,954	\$77,147
Current portion of notes payable, non-recourse (see Note 5)	32,607	32,973
Current portion of notes payable	15,127	24,294
Current portion of capital leases	658	640
Current portion of deferred revenue	2,846	2,760
Total current liabilities	124,192	137,814
Notes payable, non-recourse, net of current portion (see Note 5)	114,531	124,325
Notes payable, net of current portion	67,857	21,750
Capital leases, net of current portion	4,688	4,855
Deferred revenue, net of current portion	9,394	10,098
Total liabilities	320,662	298,842
Commitments and contingencies (see Note 7)		
Stockholders' Deficit		
Preferred stock, 15,000,000 shares authorized; Series A 10% - \$0.001 par value per share; 20 shares authorized; 7 shares issued and outstanding at June 30, 2015 and March 31, 2015, respectively. Liquidation preference of \$3,648	3,559	3,559
Class A common stock, \$0.001 par value per share; 210,000,000 and 210,000,000 shares authorized; 77,266,774 and 77,178,494 shares issued and 74,494,334 and 77,075,614 shares outstanding at June 30, 2015 and March 31, 2015, respectively	77	77
Class B common stock, \$0.001 par value per share; 1,241,000 shares authorized; 1,241,000 shares issued and 0 shares outstanding, at June 30, 2015 and March 31, 2015, respectively	—	—
Additional paid-in capital	266,981	277,984
Treasury stock, at cost; 2,772,440 and 51,440 Class A common shares at June 30, 2015 and March 31, 2015, respectively	(2,839)) (172)
Accumulated deficit	(311,324)) (300,350)
Accumulated other comprehensive loss	(59)) (57)
Total stockholders' deficit of Cinedigm Corp.	(43,605)) (18,959)
Deficit attributable to noncontrolling interest	(49)) (178)
Total deficit	(43,654)) \$(19,137)
Total liabilities and deficit	\$277,008	\$279,705

See accompanying notes to Condensed Consolidated Financial Statements

CINEDIGM CORP.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(In thousands, except for share and per share data)

	For the Three Months Ended June 30,	
	2015	2014
Revenues	\$22,828	\$22,857
Costs and expenses:		
Direct operating (excludes depreciation and amortization shown below)	7,292	8,504
Selling, general and administrative	9,616	7,709
Provision for doubtful accounts	339	94
Restructuring, transition and acquisition expenses, net	133	946
Depreciation and amortization of property and equipment	9,357	9,376
Amortization of intangible assets	1,459	1,885
Total operating expenses	28,196	28,514
Loss from operations	(5,368)