

TIVO INC
Form 8-K
August 26, 2003

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report: August 21, 2003

(Date of earliest event reported)

TIVO INC.

(exact name of registrant as specified in its charter)

Commission File: 000-27141

Delaware
(State or other jurisdiction
of incorporation or organization)

77-0463167
(I.R.S. Employer
Identification No.)

2160 Gold Street

P.O. Box 2160

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Alviso, California 95002

(Address of Principal executive offices, including zip code)

(408) 519-9100

(Registrant's telephone number, including area code)

ITEM 5. OTHER EVENTS

On August 21, 2003 we announced financial results for our second quarter ended July 31, 2003.

We added 90,000 subscriptions in the second quarter, twice the number of subscriptions added in the same quarter of last year. We added 34,000 standalone subscriptions in the quarter, a growth of over 60% compared to the second quarter of last year, and 56,000 new subscriptions from DIRECTV in the quarter, over two-and-a-half times the result in the same period in the previous year.

Net revenues for the second quarter were \$26.7 million, including \$17.4 million in Service and Technology revenue, and \$8.1 million in Hardware revenue. Gross Profit for the quarter was \$11.2 million. Net loss for the quarter was \$4.4 million, or \$(0.07) per share.

Global consumer electronics leader Pioneer announced in the quarter that it will introduce its first DVD recorder with the TiVo service in time for the holidays. The previously announced DVD player with TiVo from Toshiba is anticipated to arrive at retailers in September.

TIVO INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

| | Three Months Ended | Three Months Ended |
|--|--------------------|--------------------|
| | July 31, 2003 | July 31, 2002 |
| Service revenues | \$ 13,757 | \$ 9,510 |
| Technology revenues | 3,649 | 14,344 |
| Service and Technology revenues | 17,406 | 23,854 |
| Hardware sales | 8,057 | 11,109 |
| Rebates, revenue share & other payments to channel | 1,209 | |
| Net revenues | 26,672 | 34,963 |
| Cost of service revenues | 3,909 | 4,387 |
| Cost of technology revenues | 3,020 | 3,189 |
| Cost of hardware sales | 8,558 | 11,346 |
| Gross profit | 11,185 | 16,041 |
| Research and development | 5,789 | 4,518 |
| Sales and marketing | 4,502 | 9,042 |
| General and administrative | 4,061 | 3,589 |
| Operating loss | (3,167) | (1,108) |
| Interest and other income (expense), net | (1,195) | (1,819) |
| Preferred stock dividend and accretion | | |
| Provision for taxes | (25) | (111) |
| Net loss attributable to common stock | \$ (4,387) | \$ (3,038) |
| Net loss per share basic and diluted | \$ (0.07) | \$ (0.06) |
| Shares used in per share computation | 65,834 | 47,994 |

TIVO INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

| | Six Months Ended | Six Months Ended |
|--|--------------------|--------------------|
| | July 31, 2003 | July 31, 2002 |
| Service revenues | 26,459 | \$ 17,726 |
| Technology revenues | 7,015 | 15,988 |
| Service and Technology revenues | 33,474 | 33,714 |
| Hardware sales | 22,866 | 14,889 |
| Rebates, revenue share & other payments to channel | (1,148) | (600) |
| Net revenues | 55,192 | 48,003 |
| Cost of service revenues | 8,083 | 8,548 |
| Cost of technology revenues | 6,649 | 4,481 |
| Cost of hardware sales | 22,736 | 15,011 |
| Gross profit | 17,724 | 19,963 |
| Research and development | 11,261 | 9,520 |
| Sales and marketing | 8,501 | 39,819 |
| General and administrative | 7,839 | 7,348 |
| Operating loss | (9,877) | (36,724) |
| Interest and other income (expense), net | (2,355) | 288 |
| Preferred stock dividend and accretion | | (1,665) |
| Provision for taxes | (37) | (111) |
| Net loss attributable to common stock | \$ (12,269) | \$ (38,212) |
| Net loss per share basic and diluted | \$ (0.19) | \$ (0.80) |
| Shares used in per share computation | 64,928 | 47,669 |

TIVO INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands)

| | <u>July 31, 2003</u> | <u>January 31, 2003</u> |
|--|----------------------|-------------------------|
| ASSETS | | |
| Cash, cash equivalents and short-term investments | \$ 62,815 | \$ 44,201 |
| Accounts receivable, net | 4,462 | 5,839 |
| Accounts receivable related parties | 1,120 | 1,271 |
| Inventories | 6,642 | 7,273 |
| Prepaid expenses and other | 3,055 | 3,768 |
| Prepaid expenses and other related parties | 7,474 | 7,825 |
| Property and equipment, net | 10,069 | 12,143 |
| | <u> </u> | <u> </u> |
| Total assets | \$ 95,637 | \$ 82,320 |
| | <u> </u> | <u> </u> |
| LIABILITIES & STOCKHOLDERS DEFICIT | | |
| Accounts payable and accrued liabilities | \$ 24,877 | \$ 33,023 |
| Accounts payable and accrued liabilities related parties | 2,208 | 3,359 |
| Deferred revenue | 57,438 | 56,373 |
| Deferred revenue related parties | 4,536 | 6,077 |
| Convertible notes payable, long term (Face Value \$10,450) | 5,133 | 4,265 |
| Convertible notes payable related parties, long term (Face Value \$10,000) | 4,753 | 3,920 |
| Total stockholders deficit | (3,308) | (24,697) |
| | <u> </u> | <u> </u> |
| Liabilities & stockholders deficit | \$ 95,637 | \$ 82,320 |
| | <u> </u> | <u> </u> |

Other Data

| (Subscriptions in thousands) | Three Months Ended | | Six Months Ended | |
|--|--------------------|---------------|------------------|---------------|
| | July 31, 2003 | July 31, 2002 | July 31, 2003 | July 31, 2002 |
| TiVo Service Subscriptions Net Additions | 34 | 21 | 71 | 45 |
| Service Provider Subscriptions Net Additions | 56 | 21 | 98 | 39 |
| Total Subscriptions Net Additions | 90 | 42 | 169 | 84 |
| TiVo Service Cumulative Subscriptions | 467 | 291 | 467 | 291 |
| Service Provider Cumulative Subscriptions | 326 | 173 | 326 | 173 |
| Total Cumulative Subscriptions | 793 | 464 | 793 | 464 |
| % of TiVo Service Cumulative Subscriptions paying recurring fees (excludes DIRECTV subscriptions) | 34% | 33% | 34% | 33% |

Forward-Looking Statements

This Current Report on Form 8-K contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to, among other things, our business, services, business development, strategy, customers or other factors that may affect future earnings or financial results. Forward-looking statements generally can be identified by the use of forward-looking terminology such as, believe, expect, may, will, intend, estimate, continue, or similar expressions or the negative of those terms or expressions. Such statements involve risks and uncertainties, which could cause actual results to vary materially from those expressed in or indicated by the forward-looking statements. Factors that may cause actual results to differ materially include delays in development, competitive service offerings and lack of market acceptance, as well as the Factors That May Affect Future Operating Results and other risks detailed in our Annual Report on Form 10-K for the period ended January 31, 2003, as amended, and our Quarterly Report on Form 10-Q for the quarter ended April 30, 2003, filed with the Securities and Exchange Commission. We caution you not to place undue reliance on forward-looking statements, which reflect an analysis only and speak only as of the date hereof. We disclaim any obligation to update these forward-looking statements.

