

GrubHub Inc.  
Form 10-Q  
May 07, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2015

OR

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

Commission File Number 1-36389

GRUBHUB INC.

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

46-2908664  
(I.R.S. Employer  
Identification No.)

111 W. Washington Street, Suite 2100  
Chicago, Illinois

60602

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(Address of principal executive offices) (Zip code)  
(877) 585-7878

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Sections 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 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  (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

As of May 1, 2015, 83,929,112 shares of common stock were outstanding.

GRUBHUB INC.

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## Part I. FINANCIAL INFORMATION

## Item 1. Condensed Consolidated Financial Statements

## GRUBHUB INC.

## CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)

	March 31, 2015	December 31, 2014
	(Unaudited)	
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 188,155	\$ 201,796
Short term investments	110,069	111,341
Accounts receivable, less allowances for doubtful accounts	49,614	36,127
Deferred taxes, current	792	825
Prepaid expenses	2,915	2,940
Total current assets	351,545	353,029
<b>PROPERTY AND EQUIPMENT:</b>		
Property and equipment, net of depreciation and amortization	16,102	16,003
<b>OTHER ASSETS:</b>		
Other assets	3,507	3,543
Goodwill	387,385	352,788
Acquired intangible assets, net of amortization	289,495	254,339
Total other assets	680,387	610,670
<b>TOTAL ASSETS</b>	<b>\$ 1,048,034</b>	<b>\$ 979,702</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Restaurant food liability	\$ 115,892	\$ 91,575
Accounts payable	4,060	3,371
Accrued payroll	3,695	5,958
Taxes payable	707	1,660
Other accruals	12,211	8,441
Total current liabilities	136,565	111,005
<b>LONG TERM LIABILITIES:</b>		
Deferred taxes, non-current	93,430	92,244
Other accruals	5,826	5,931
Total long term liabilities	99,256	98,175
Commitments and Contingencies		

STOCKHOLDERS' EQUITY:

Common stock, \$0.0001 par value. Authorized: 500,000,000 shares at

March 31, 2015 and December 31, 2014; issued and outstanding:

83,789,008 and 81,905,325 shares as of March 31, 2015 and December 31, 2014,

respectively	8	8
Accumulated other comprehensive loss	(555 )	(262 )
Additional paid-in capital	721,366	689,953
Retained earnings	91,394	80,823
Total Stockholders' Equity	\$ 812,213	\$ 770,522
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,048,034	\$ 979,702

(See Notes to Condensed Consolidated Financial Statements (unaudited))

## GRUBHUB INC.

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share data)

(UNAUDITED)

	Three Months Ended March 31,	
	2015	2014
Revenues	\$88,249	\$58,613
Costs and expenses:		
Sales and marketing	24,107	16,117
Operations and support	22,701	15,107
Technology (exclusive of amortization)	7,666	5,347
General and administrative	9,101	8,324
Depreciation and amortization	6,249	5,515
Total costs and expenses	69,824	50,410
Income before provision for income taxes	18,425	8,203
Provision for income taxes	7,855	3,850
Net income attributable to common stockholders	\$10,570	\$4,353
Net income per share attributable to common stockholders:		
Basic	\$0.13	\$0.08
Diluted	\$0.12	\$0.06
Weighted average shares used to compute net income per share attributable to common stockholders:		
Basic	82,783	55,210
Diluted	85,098	77,635

(See Notes to Condensed Consolidated Financial Statements (unaudited))

GRUBHUB INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands)

(UNAUDITED)

	Three Months Ended March 31,	
	2015	2014
Net income	\$10,570	\$4,353
OTHER COMPREHENSIVE INCOME (LOSS)		
Foreign currency translation adjustments	(293 )	49
COMPREHENSIVE INCOME	\$10,277	\$4,402



(See Notes to Condensed Consolidated Financial Statements (unaudited))

GRUBHUB INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)