EDGAR Online

MOVE INC

FORM 8-K
(Current report filing)

Filed 08/08/11 for the Period Ending 08/08/11

Address	30700 RUSSELL RANCH RD WESTLAKE VILLAGE, CA 91362
Telephone	8055572300
CIK	0001085770
Symbol	MOVE
SIC Code	6531 - Real Estate Agents and Managers
Industry	Computer Services
Sector	Technology
Fiscal Year	12/31

Powered By EDGAR Online
http://www.edgar-online.com
© Copyright 2011, EDGAR Online, Inc. All Rights Reserved.
Distribution and use of this document restricted under EDGAR Online, Inc. Terms of Use.

UNITED STATES
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 (Date of earliest event reported): August 8, 2011

Move, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**000-26659**	**95-4438337**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

910 East Hamilton Avenue
Campbell, California 95008
(Address of principal executive offices)
(Zip Code)

Registrant's telephone number, including area code: **(408) 558-3700**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

TABLE OF CONTENTS

Item 2.02 Results of Operations and Financial Condition.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Item 9.01 Financial Statements and Exhibits.

SIGNATURE

EXHIBIT INDEX

EXHIBIT 99.1

Item 2.02 Results of Operations and Financial Condition.

On August 8, 2011, Move, Inc. issued a press release announcing its financial results for the quarter ended June 30, 2011. A copy of that press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On August 8, 2011, the Company appointed Patricia A. Wehr, 47, as Chief Accounting Officer, effective the same day. Ms. Wehr, whose title will be Senior Vice President and Chief Accounting Officer, has for the last five years served as the Company's Senior Vice President - Corporate Controller, with responsibility for the Company's accounting and financial compliance. Ms. Wehr joined the Company in January 2003 as Director of Finance, was named Vice President – Finance in October 2004, was appointed as Corporate Controller and Vice President on March 2005 and was named Corporate Controller and Senior Vice President in April 2006, the position she has held until the announcement of her appointment as the Company's chief accounting officer as reflected in this report. Prior to joining the Company, Ms. Wehr held various senior financial management positions and served over seven years in the audit practice of Deloitte and Touche LLP. She is also a certified public accountant (inactive) and holds a degree in accounting from California State University, Northridge. In connection with this appointment, Ms. Wehr will be awarded a grant of fifty thousand (50,000) shares of restricted common stock of the Company which will vest over a four-year period in four equal increments on each anniversary of the grant date.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1 Press release announcing Move, Inc.'s financial results for the quarter ended June 30, 2011

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MOVE, INC.

Date: August 8, 2011

By: /s/ Robert J. Krolik
Robert J. Krolik

Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
99.1	Press release announcing Move, Inc.'s financial results for the quarter ended June 30, 2011

Move, Inc. Announces Second Quarter 2011 Financial Results

CAMPBELL, Calif., Aug. 8, 2011 /PRNewswire/ -- Move, Inc. (NASDAQ: MOVE), the leader in online real estate, today reported financial results for the second quarter ended June 30, 2011.

(Logo: http://photos.prnewswire.com/prnh/20080213/MOVEINCLOGO)

Revenue in the second quarter of 2011 was $48.9 million, compared to $49.7 million in the second quarter of 2010. Net income applicable to common stock holders was $1.2 million, or $0.01 per share, compared to a net loss of $1.4 million, or $0.01 per share in the second quarter of 2010. Non-GAAP Adjusted EBITDA (earnings from continuing operations before interest, taxes, stock-based compensation and charges, depreciation, amortization and other non-recurring charges) for the second quarter of 2011 was $6.1 million, or 12.6 percent of revenue, compared to $5.6 million, or 11 percent, for the second quarter of 2010. Move, Inc. has reported Adjusted EBITDA because management uses it to monitor and assess the Company's performance and believes it is helpful to investors in understanding the Company's business.

Steve Berkowitz, chief executive officer at Move, Inc. said, "We made good progress against our strategy in the second quarter while operating against the continuing market headwinds. Our focus on delivering solid financial results while creating future revenue streams is beginning to show signs of fruition as our first significant initiatives are beginning to roll out in the second half of the year. As the growing use of mobile in real estate search transforms our industry, we have the opportunity to lead the industry as it adapts to new technologies that are fundamentally changing how consumers and real estate professionals connect."

Move also announced today the appointment of Patty Wehr as chief accounting officer. Ms. Wehr has been with Move, Inc., since 2003, most recently as senior vice president, corporate controller. Prior to joining Move, Ms. Wehr held various senior financial management positions, including CFO at Haskel International, vice president of finance and administration for Fiberspace, Inc., and audit manager for Deloitte and Touche LLP.

Recent Highlights:

- Market leadership: Move continued its market leadership by attracting more than 23 million consumers in the month of June that viewed more than 650 million pages and spent more than 300 million minutes on the Realtor.com Real Estate Network.
- Connection(SM): Move launched a pilot program to generate more buyer inquiries for real estate professionals on unenhanced listings. This launch, part of Move's Connection(SM) initiative, is a simple way to add a contact point on unenhanced listings so consumers can request information about a property in a manner that respects the content rights of the listing agent.
- Mobile Highlights: Today, on average, 16 properties are viewed every second on a Move mobile app, with consumer leads to local real estate agents increasing approximately 400 percent year-over-year. Realtor.com mobile page views now represent approximately 25% of all properties viewed.
- Social Bios Acquisition: Move acquired SocialBios, an award-winning social search platform that allows individuals and companies to create one social hub for their online profiles through interactive 'About Us' pages. SocialBios simplifies the discovery of shared connections on Facebook, LinkedIn, Twitter, Foursquare and Google without sacrificing the user's privacy. Move will leverage the SocialBios platform and talent to develop products that connect people with real estate professionals based on the commonalities of their on- and offline social networks.

Business Outlook

Move today provided guidance for the quarter ending September 30, 2011. For the quarter ending September 30, 2011, Move expects revenue to range between approximately $46.5 million and $47 million and expects to report Adjusted EBITDA margin of approximately 12%.

Move today updated guidance for the year ending December 31, 2011. For the year ending December 31, 2011, Move expects revenue to range between $192 million and $195 million and expects to report Adjusted EBITDA margin of approximately 13%, or $25 million.

Conference Call

As previously announced, Move, Inc. will host a conference call, which will be broadcast live over the Internet today, Monday, August 8, 2011. To access the call, please dial (877) 312-5848, or outside the U.S. (253) 237-1155, five minutes prior to 1:30 p.m. Pacific Daylight Time. A live webcast of the call will also be available at http://investor.move.com under the Events & Presentations menu.

An audio replay will be available between 4:30 p.m. Pacific Daylight Time August 8, 2011, and 11:59 p.m. Pacific Daylight Time August 23, 2011, by calling (855) 859-2056 or (404) 537-3406, with Conference ID 76623278. A replay of the call will also be available at http://investor.move.com.

Use of Non-GAAP Financial Measures

To supplement its consolidated financial statements presented in accordance with generally accepted accounting principles in the United States ("GAAP"), Move uses a non-GAAP measure of net income (loss) excluding interest income, net, income tax expense, impairment of auction rate securities and certain other non-cash and non-recurring items, principally depreciation, amortization and stock-based compensation and other charges, which is referred to as Adjusted EBITDA. The Company has also presented a non-GAAP table of Financial Data for the three and six month periods ended June 30, 2011 and 2010 that extracts stock-based compensation under ASC Topic 718 "Compensation – Stock Compensation." A reconciliation of these non-GAAP measures to GAAP is provided in the attached tables. These non-GAAP adjustments are provided to enhance the user's overall understanding of Move's current financial performance and its prospects for the future and should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP. These non-GAAP measures are the primary basis management uses for planning and forecasting its future operations. Move believes these non-GAAP results provide useful information to both management and investors by excluding certain expenses that it believes are not indicative of its core operating results and a more consistent basis for comparison between quarters and should be carefully evaluated.

This press release may contain forward-looking statements, including information about management's view of Move's future expectations, plans and prospects, within the safe harbor provisions under The Private Securities Litigation Reform Act of 1995. These statements involve known and unknown risks, uncertainties and other factors which may cause the results of Move, its subsidiaries, divisions and concepts to be materially different than those expressed or implied in such statements. These risk factors and others are included from time to time in documents Move files with the Securities and Exchange Commission, including but not limited to, its Form 10-Ks, Form 10-Qs and Form 8-Ks. Other unknown or unpredictable factors also could have material adverse effects on Move's future results. The forward-looking statements included in this press release are made only as of the date hereof. Move cannot guarantee future results, levels of activity, performance or achievements. Accordingly, you should not place undue reliance on these forward-looking statements. Finally, Move expressly disclaims any intent or obligation to update any forward-looking statements to reflect subsequent events or circumstances.

ABOUT MOVE, INC .

Move, Inc. (NASDAQ: MOVE) is a leader in online real estate with over 23 million monthly visitors(1) to its online network of websites within the Realtor.com Real Estate Network. Move, Inc. operates: Move.com, a leading destination for information on new homes and rental listings, moving, home and garden and home finance; REALTOR.com®, the official website of the National Association of REALTORS®; MortgageMatch.com, Moving.com; SeniorHousingNet; ListHub; and TOP PRODUCER Systems. Move, Inc. is based in Campbell, California.

[1] comScore Media Metrics, June 2011

MOVE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)
(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
	(unaudited)		(unaudited)	
Revenue	$ 48,915	$ 49,691	$ 97,990	$ 98,334
Cost of revenue (1)	10,461	11,088	21,244	22,016
Gross profit	38,454	38,603	76,746	76,318
Operating expenses: (1)				
Sales and marketing	17,927	18,872	36,243	37,204
Product and web site development	8,999	8,136	18,462	16,662
General and administrative	9,465	10,800	19,529	21,489
Amortization of intangible assets	356	104	711	209
Total operating expenses	36,747	37,912	74,945	75,564
Operating income	1,707	691	1,801	754
Interest income, net	17	178	35	734
Earnings of unconsolidated joint venture	140	193	351	299
Impairment of auction rate securities	-	-	-	(19,559)
Other income (expense), net	(52)	(1,069)	377	(1,102)
Income (loss) from operations before income taxes	1,812	(7)	2,564	(18,874)

Income tax expense	74	28	92	91
Net income (loss)	1,738	(35)	2,472	(18,965)
Convertible preferred stock dividend and related accretion	(562)	(1,341)	(2,944)	(2,674)
Net income (loss) applicable to common stockholders	$ 1,176	$ (1,376)	$ (472)	$ (21,639)
Basic net income (loss) per share applicable to common stockholders	$ 0.01	$ (0.01)	$ (0.00)	$ (0.14)
Diluted net income (loss) per share applicable to common stockholders	$ 0.01	$ (0.01)	$ (0.00)	$ (0.14)
Shares used in calculation of net income (loss) per share applicable to common stockholders:				
Basic	158,173	154,641	158,027	154,574
Diluted	161,884	154,641	158,027	154,574

(1) Includes stock-based compensation as follows:

Cost of revenue	$ 65	$ 45	$ 118	$ 92
Sales and marketing	391	430	759	840
Product and web site development	358	308	677	790
General and administrative	586	964	1,491	1,917
	$ 1,400	$ 1,747	$ 3,045	$ 3,639

MOVE, INC.
CONSOLIDATED BALANCE SH EETS
(in thousands)

	June 30, 2011	December 31, 2010
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 89,555	$ 158,517
Accounts receivable, net	10,079	9,680
Other current assets	8,730	7,621
Total current assets	108,364	175,818
Property and equipment, net	21,148	21,934
Investment in unconsolidated joint ventures	6,576	7,165
Goodwill, net	24,450	24,450
Intangible assets, net	7,613	8,324
Other assets	1,132	1,327
Total assets	$ 169,283	$ 239,018
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		

Accounts payable	$ 4,013	$ 6,403
Accrued expenses	15,374	16,281
Deferred revenue	12,477	13,696
Total current liabilities	31,864	36,380
Other non-current liabilities	3,369	3,300
Total liabilities	35,233	39,680
Series B convertible preferred stock	48,289	116,564
Stockholders' equity:		
Series A convertible preferred stock	-	-
Common stock	160	159
Additional paid-in capital	2,128,048	2,124,554
Accumulated other comprehensive income	336	372
Accumulated deficit	(2,042,783)	(2,042,311)
Total stockholders' equity	85,761	82,774
Total liabilities and stockholders' equity	$ 169,283	$ 239,018

MOVE, INC.
CONSOLIDATED ST ATEMENTS OF CASH FLOWS
(in thousands)

	Six Months Ended June 30,	
	2011	2010
	(unaudited)	
Cash flows from continuing operating activities:		
Net income (loss)	$ 2,472	$ (18,965)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	4,639	5,155
Amortization of intangible assets	711	209
Provision for doubtful accounts	58	(120)
Stock-based compensation and charges	3,284	3,906
Impairment of auction rate securities	-	19,559
Earnings of unconsolidated joint venture	(351)	(299)
Other non-cash items	(76)	(115)
Changes in operating assets and liabilities, net of acquisitions and discontinued operations:		
Accounts receivable	(457)	502
Other assets	(914)	104
Accounts payable and accrued expenses	(3,237)	(724)
Deferred revenue	(1,228)	58
Net cash provided by operating activities	4,901	9,270
Cash flows from investing activities:		
Purchases of property and equipment	(3,812)	(6,078)
Proceeds from the sale of auction rate securities	-	109,841
Proceeds from the sale of marketable equity securities	-	14
Distribution of earnings from unconsolidated joint venture	940	-
Net cash (used in) provided by continuing investing activities	(2,872)	103,777

Cash flows from financing activities:		
Proceeds from exercise of stock options	435	519
Restricted cash	-	462
Redemption of convertible preferred stock	(70,000)	-
Proceeds from line of credit	-	64,700
Proceeds from loan payable	-	316
Principal payments on line of credit	-	(129,330)
Payment of dividend on convertible preferred stock	(1,150)	-
Tax payment related to net share settlements of restricted stock awards	(225)	-
Principal payments on loan payable	(51)	(34)
Net cash used in financing activities	(70,991)	(63,367)
Change in cash and cash equivalents	(68,962)	49,680
Cash and cash equivalents, beginning of period	158,517	106,847
Cash and cash equivalents, end of period	$ 89,555	$ 156,527

MOVE, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE
NET INCOME (LOSS) EXCLUDING INTEREST INCOME, INCOME TAX EXPENSE, STOCK-BASED COMPENSATION AND CHARGES, DEPRECIATION, AMORTIZATION AND IMPAIRMENT OF AUCTION RATE SECURITIES (ADJUSTED EBITDA)
(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
	(unaudited)		(unaudited)	
Net Income (loss)	$ 1,738	$ (35)	$ 2,472	$ (18,965)
Plus:				
Interest income, net	(17)	(178)	(35)	(734)
Income tax expense	74	28	92	91
Stock-based compensation	1,400	1,747	3,045	3,639
Stock-based charges	147	91	239	267
Depreciation	2,246	2,554	4,639	5,155
Impairment of auction rate securities	-	-	-	19,559
Loss on sale of auction rate securities	-	1,098	-	1,098
Amortization of intangible assets, including unconsolidated joint venture	554	301	1,106	688
Adjusted EBITDA	$ 6,142	$ 5,606	$ 11,558	$ 10,798

MOVE, INC.
OPERATING RESULTS
NET OF STOCK-BASED COMPENSATION EXPENSE
(in thousands)

Three Months Ended June 30, 2011 (unaudited)		
As Reported	Stock-based Compensation	Excluding Stock-Based Compensation

Revenue	$ 48,915	$ -	$ 48,915
Cost of revenue	10,461	(65)	10,396
Gross profit	38,454	65	38,519
Sales and marketing	17,927	(391)	17,536
Product and web site development	8,999	(358)	8,641
General and administrative	9,465	(586)	8,879
Amortization of intangibles	356	-	356
Total operating expenses	36,747	(1,335)	35,412
Operating income	$ 1,707	$ 1,400	$ 3,107

	Three Months Ended June 30, 2010 (unaudited)		
	As Reported	Stock-based Compensation	Excluding Stock-Based Compensation
Revenue	$ 49,691	$ -	$ 49,691
Cost of revenue	11,088	(45)	11,043
Gross profit	38,603	45	38,648
Sales and marketing	18,872	(430)	18,442
Product and web site development	8,136	(308)	7,828
General and administrative	10,800	(964)	9,836
Amortization of intangibles	104	-	104
Total operating expenses	37,912	(1,702)	36,210
Operating income	$ 691	$ 1,747	$ 2,438

	Six Months Ended June 30, 2011 (unaudited)		
	As Reported	Stock-based Compensation	Excluding Stock-Based Compensation
Revenue	$ 97,990	$ -	$ 97,990
Cost of revenue	21,244	(118)	21,126
Gross profit	76,746	118	76,864
Sales and marketing	36,243	(759)	35,484
Product and web site development	18,462	(677)	17,785
General and administrative	19,529	(1,491)	18,038
Amortization of intangibles	711	-	711
Total operating expenses	74,945	(2,927)	72,018
Operating income	$ 1,801	$ 3,045	$ 4,846

Six Months Ended

	June 30, 2010		
	(unaudited)		
	As Reported	Stock-based Compensation	Excluding Stock-Based Compensation
Revenue	$ 98,334	$ -	$ 98,334
Cost of revenue	22,016	(92)	21,924
Gross profit	76,318	92	76,410
Sales and marketing	37,204	(840)	36,364
Product and web site development	16,662	(790)	15,872
General and administrative	21,489	(1,917)	19,572
Amortization of intangibles	209	-	209
Total operating expenses	75,564	(3,547)	72,017
Operating income	$ 754	$ 3,639	$ 4,393

CONTACT: Todd Friedman, todd@blueshirtgroup.com, or Stacie Bosinoff, Stacie@blueshirtgroup.com, both of The Blueshirt Group, +1-415-217-7722, for Move, Inc.