

TIVO INC
Form 8-K
November 20, 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: November 20, 2003

(Date of earliest event reported)

TIVO INC.

(exact name of registrant as specified in its charter)

Commission File:

Delaware
(State or other jurisdiction of
incorporation or organization)

000-27141

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

2160 Gold Street

P.O. Box 2160

Alviso, California 95002

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(Address of Principal executive offices, including zip code)

(408) 519-9100

(Registrant's telephone number, including area code)

ITEM 5. OTHER EVENTS

On November 20, 2003 we announced financial results for our third quarter ended October 31, 2003.

We added 209,000 subscriptions in the third quarter, four and half times the number of subscriptions added in the same quarter of last year. We added approximately 59,000 net new TiVo service subscriptions in the quarter, nearly double the growth of the third quarter of last year, and 150,000 net new subscriptions through DIRECTV in the quarter which is growth of nearly 100% over the second quarter, and nearly ten times the number of new DIRECTV subscriptions added in the third quarter of last year.

Net revenues for the third quarter were \$43.3 million, including a 73% increase over the third quarter of last year, including \$22.7 million in Service and Technology revenue, and \$24.5 million in Hardware revenue. Gross Profit for the quarter was \$9.0 million, more than double the gross profit from the third quarter of last year. Net loss for the quarter was \$7.4 million, or \$(0.11) per share, less than half the \$(0.23) per share net loss from the third quarter of last year.

TIVO INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

| | Three Months Ended | | Nine Months Ended | |
|--|--------------------|--------------------|--------------------|--------------------|
| | October 31, 2003 | October 31, 2002 | October 31, 2003 | October 31, 2002 |
| Service revenues | \$ 16,018 | \$ 10,185 | \$ 42,477 | \$ 27,911 |
| Technology revenues | 6,656 | 2,556 | 13,671 | 18,544 |
| Service and Technology revenues | 22,674 | 12,741 | 56,148 | 46,455 |
| Hardware sales | 24,479 | 16,220 | 47,345 | 31,109 |
| Rebates, revenue share & other payments to channel | (3,897) | (3,968) | (5,045) | (4,568) |
| Net revenues | 43,256 | 24,993 | 98,448 | 72,996 |
| Cost of service revenues | 4,370 | 3,852 | 12,453 | 12,399 |
| Cost of technology revenues | 4,464 | 1,442 | 11,113 | 5,924 |
| Cost of hardware sales | 25,413 | 15,588 | 48,149 | 30,599 |
| Gross profit | 9,009 | 4,111 | 26,733 | 24,074 |
| Research and development | 5,432 | 4,875 | 16,693 | 14,395 |
| Sales and marketing | 5,704 | 4,333 | 14,205 | 44,152 |
| General and administrative | 3,949 | 3,752 | 11,788 | 11,100 |
| Operating loss | (6,076) | (8,849) | (15,953) | (45,573) |
| Interest and other income (expense), net | (1,197) | (2,520) | (3,552) | (2,232) |
| Preferred stock dividend and accretion | | | | (1,665) |
| Provision for taxes | (115) | (150) | (152) | (261) |
| Net loss attributable to common stock | \$ (7,388) | \$ (11,519) | \$ (19,657) | \$ (49,731) |
| Net loss per share basic and diluted | \$ (0.11) | \$ (0.23) | \$ (0.30) | \$ (1.02) |
| Shares used in per share computation | 68,226 | 51,041 | 66,027 | 48,793 |

TIVO INC

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands)

| | October 31, 2003 | January 31, 2003 |
|--|-----------------------------|-----------------------------|
| | <u> </u> | <u> </u> |
| ASSETS | | |
| Cash, cash equivalents and short-term investments | \$ 61,807 | \$ 44,201 |
| Accounts receivable, net | 19,860 | 7,110 |
| Inventories | 9,957 | 7,273 |
| Prepaid expenses and other | 10,649 | 11,593 |
| Property and equipment, net | 9,644 | 12,143 |
| | <u> </u> | <u> </u> |
| Total assets | \$ 111,917 | \$ 82,320 |
| | <u> </u> | <u> </u> |
| LIABILITIES & STOCKHOLDERS DEFICIT | | |
| Accounts payable and other current liabilities | \$ 44,054 | \$ 36,382 |
| Deferred revenue | 65,721 | 62,450 |
| Convertible notes payable, long term (Face Value \$20,450) | 10,750 | 8,185 |
| Total stockholders deficit | (8,609) | (24,697) |
| | <u> </u> | <u> </u> |
| Liabilities & stockholders deficit | \$ 111,917 | \$ 82,320 |
| | <u> </u> | <u> </u> |

Other Data

(Subscriptions in thousands)

| | Three Months Ended | | Nine Months Ended | |
|--|--------------------|------------------|-------------------|------------------|
| | October 31, 2003 | October 31, 2002 | October 31, 2002 | October 31, 2002 |
| TiVo Service Subscriptions Net Additions | 59 | 30 | 130 | 75 |
| Service Provider Subscriptions Net Additions | 150 | 16 | 248 | 55 |
| Total Subscriptions Net Additions | 209 | 46 | 378 | 130 |
| TiVo Service Cumulative Subscriptions | 526 | 321 | 526 | 321 |
| Service Provider Cumulative Subscriptions | 476 | 189 | 476 | 189 |
| Total Cumulative Subscriptions | 1,002 | 510 | 1,002 | 510 |
| % of TiVo Service Cumulative Subscriptions paying recurring fees (excludes DIRECTV subscriptions) | 35% | 30% | 35% | 30% |

Notes:

- TiVo Service Subscriptions lines refer to standalone TiVo DVRs manufactured by TiVo, Sony, Philips, and others, as well as DVD/TiVo products manufactured by Pioneer and Toshiba.

- Service Provider Subscriptions lines refer to integrated DIRECTV satellite receivers with TiVo, including those manufactured by Samsung, Hughes, Philips, RCA, Sony, and others.

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 Reports on Form 10-Q for the quarters ended April 30, 2003 and July 31, 2003, filed with the Securities and Exchange Commission. We caution you not to place undue reliance on forward-looking

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statements, which reflect an analysis only and speak only as of the date hereof. We disclaim any obligation to update these forward-looking statements.

SIGNATURES

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.

TIVO INC.

Date: November 20, 2003

By:

/s/ David H. Courtney

David H. Courtney

Chief Financial Officer and Executive

Vice President, Worldwide Operations

and Administration

(Principal Financial and Accounting Officer)