

MAM SOFTWARE GROUP, INC.

Form 10-Q

May 15, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2017

Or

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

For the transition period from _____ to _____

Commission File Number: **001-35918**

MAM SOFTWARE GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware

84-1108035

(State or other jurisdiction of (I.R.S. employer
incorporation or organization) identification no.)

Maple Park, Maple Court, Tankersley, Barnsley, UK S75 3DP

(Address of principal executive offices) (Zip code)

011 44 124 431 1794

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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

Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition 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 Emerging growth company

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

The registrant had 12,269,314 shares of its common stock outstanding as of May 10, 2017.

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PART I—FINANCIAL INFORMATION

Unless the context indicates or requires otherwise, (i) the term “MAM” refers to MAM Software Group, Inc. and its principal operating subsidiaries; (ii) the term “MAM Ltd.” refers to MAM Software Limited; (iii) the term “MAM NA” refers to MAM Software, Inc.; (iv) the term “Origin” refers to Origin Software Solutions, Ltd.; (v) the term “MAM UK” collectively refers to MAM Ltd. and Origin; and (vi) the terms “we,” “our,” “ours,” “us” and the “Company” refer collectively to MAM Software Group, Inc.

Item 1. Financial Statements

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MAM SOFTWARE GROUP, INC.**Condensed Consolidated Balance Sheets***(In thousands, except per share data)*

	March 31, 2017	June 30, 2016
	(Unaudited)	
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 819	\$491
Accounts receivable, net of allowance of \$534 and \$359, respectively	4,505	4,627
Inventories	381	221
Prepaid expenses and other current assets	1,090	1,495
Income tax receivable	124	535
Total Current Assets	6,919	7,369
Property and Equipment, Net	527	581
Other Assets		
Goodwill	7,962	8,363
Intangible assets, net	632	739
Software development costs, net	7,031	5,234
Other long-term assets	96	68
TOTAL ASSETS	\$ 23,167	\$22,354
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 1,447	\$1,618
Accrued expenses and other liabilities	1,858	1,811
Payroll and other taxes	907	1,188
Current portion of long-term debt	1,561	1,879
Current portion of deferred revenues	1,454	939
Sales tax payable	733	750
Income tax payable	-	1
Total Current Liabilities	7,960	8,186
Long-Term Liabilities		
Deferred revenues, net of current portion	409	273
Deferred income taxes	498	535

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Long-term debt, net of current portion	6,946	7,808
Other long-term liabilities	529	533
Total Liabilities	16,342	17,335
Commitments and Contingencies		
Stockholders' Equity		
Preferred stock: Par value \$0.0001 per share; 2,000 shares authorized, none issued and outstanding	-	-
Common stock: Par value \$0.0001 per share; 18,000 shares authorized, 13,050 shares issued and 12,260 shares outstanding at March 31, 2017 and 13,199 shares issued and 12,409 shares outstanding at June 30, 2016	1	1
Additional paid-in capital	16,458	16,162
Accumulated other comprehensive loss	(3,616)	(2,985)
Accumulated deficit	(3,644)	(5,785)
Treasury stock at cost, 790 shares at March 31, 2017 and 790 shares at June 30, 2016	(2,374)	(2,374)
Total Stockholders' Equity	6,825	5,019
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 23,167	\$22,354

The Accompanying Notes Are an Integral Part of these Condensed Consolidated Financial Statements.

MAM SOFTWARE GROUP, INC.

Condensed Consolidated Statements of Comprehensive Income

(Unaudited)

(In thousands, except per share data)

	For the Three Months Ended March 31,		For the Nine Months Ended March 31,	
	2017	2016	2017	2016
Net revenues	\$7,873	\$7,916	\$23,317	\$23,812
Cost of revenues	3,567	3,608	10,379	10,962
Gross Profit				