

TIVO INC
Form 8-K
June 07, 2002

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: May 31, 2002
(Date of earliest event reported)

TIVO INC.

(exact name of registrant as specified in its charter)

Commission File: 000-27141

Delaware

77-0463167

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

2160 Gold Street
P.O. Box 2160
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 May 31, 2002 we announced financial results for our first quarter ended April 30, 2002. During the first quarter, we added approximately 42,000 new subscribers to the TiVo Service, bringing the total subscriber base to approximately 422,000 as of April 30, 2002. Our subscriber growth was the result of higher consumer demand and the early launch of national retail distribution of the TiVo Series2 DVR.

Revenues for the three months ended April 30, 2002 totaled \$9.9 million, compared with revenues of \$3.2 million for the same period last year. Revenues included approximately \$8.2 million in recurring subscription revenues and \$1.6 million from professional engineering services related to our recently announced agreement to develop a next generation set-top box for DIRECTV, a related party, which is due later this year. During the quarter we implemented a monthly service fee increase. Gross profit was \$4.4 million, or 45% of revenues. Net loss attributable to common stockholders for the quarter was \$35.1 million, or (\$0.74) per share, compared to \$50.2 million, or (\$1.20) per share, for the three months ended April 30, 2001. The net loss attributable to common stockholders for the three months ended April 30, 2002 includes \$13.1 million of nonrecurring non-cash charges and \$3.9 million of nonrecurring cash interest income related to our repurchase of shares of Series A convertible preferred stock from America Online, Inc. due to the termination of the June 2000 commercial agreement with America Online. Licensing and professional engineering services generated \$7.2 million in cash in the quarter.

Forward-Looking Statements

This Current Report on Form 8-K may contain forward-looking statements, including with respect to our financial information. You can identify forward-looking statements by use of forward-looking terminology such as believes, anticipates, expects, plans, may, will, intends or the negative of these words and phrases or similar words or phrases. You can also identify forward-looking statements by discussions of strategy, plans or intentions. Such forward-looking statements have known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. Actual results could differ materially from those set forth in such 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, 2002, filed with the Securities and Exchange Commission. We caution you not to place undue reliance on forward-looking statements, which reflect our analysis only and speak only as of the date hereof.

TIVO INC
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except subscriber and per share data]

| | Three Months Ended | |
|---|--------------------|--------------------|
| | April 30, 2002 | April 30, 2001 |
| Revenue | \$ 9,860 | \$ 3,196 |
| Cost of revenue | 5,453 | 5,467 |
| Gross profit | 4,407 | (2,271) |
| Research and development | 5,002 | 6,923 |
| Sales and marketing | 8,340 | 13,168 |
| Sales and marketing related parties | 22,922 | 23,488 |
| General and administrative | 3,759 | 4,582 |
| Operating loss | \$ (35,616) | \$ (50,432) |
| Other income and expenses, net | 2,228 | 1,340 |
| Series A preferred stock dividend | 220 | 1,092 |
| Accretion to redemption value of convertible preferred stock | 1,445 | |
| Net loss attributable to common stockholders | \$ (35,053) | \$ (50,184) |
| Net loss attributable to common stockholders per share basic and diluted | \$ (0.74) | (1.20) |
| Shares used in per share computation | 47,344 | 41,787 |
| Net Activations | 42,000 | 35,000 |
| Cumulative Subscribers | 422,000 | 189,000 |

TIVO INC
CONSOLIDATED BALANCE SHEETS
(In thousands)

| | April 30, 2002 | January 31, 2002 |
|--|---------------------------|-----------------------------|
| ASSETS | | |
| Cash, cash equivalents and short-term investments | \$ 35,879 | \$ 52,327 |
| Restricted cash | | 51,735 |
| Accounts receivable, net | 2,775 | 2,185 |
| Accounts receivable related parties | 2,577 | 6,687 |
| Inventories | 1,663 | |
| Prepaid expenses and other | 12,412 | 13,146 |
| Prepaid expenses and other related parties | 8,766 | 12,423 |
| Property and equipment, net | 16,681 | 18,146 |
| | <u> </u> | <u> </u> |
| Total assets | \$ 80,753 | \$ 156,649 |
| | <u> </u> | <u> </u> |
| LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK & STOCKHOLDERS | | |
| EQUITY (Deficit) | | |
| Accounts payable and accrued liabilities | 27,799 | 28,377 |
| Accounts payable and accrued liabilities related parties | 10,202 | 28,902 |
| Deferred revenue | 42,524 | 36,338 |
| Deferred revenue related parties | 17,019 | 11,427 |
| Capital lease obligations | 329 | 538 |
| Convertible notes payable, long term | 24,545 | 24,280 |
| Convertible notes payable related parties, long term | 12,589 | 12,453 |
| Redeemable convertible preferred stock | | 46,555 |
| Total stockholders equity (deficit) | (54,254) | (32,221) |
| | <u> </u> | <u> </u> |
| Liabilities, redeemable convertible preferred stock & stockholders equity (deficit) | \$ 80,753 | \$ 156,649 |
| | <u> </u> | <u> </u> |

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: June 6, 2002

By: /s/ DAVID H. COURTNEY

David H. Courtney
Chief Financial Officer and Executive Vice President
Worldwide Operations and Administration (Principal
Financial and Accounting Officer)