

RADIANT LOGISTICS, INC
Form 10-Q
November 16, 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 September 30, 2015

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 001-35392

RADIANT LOGISTICS, INC.

(Exact name of Registrant as Specified in Its Charter)

Delaware 04-3625550
(State or Other Jurisdiction of (IRS Employer
Incorporation or Organization) Identification No.)

405 114th Ave S.E., Bellevue, WA 98004
(Address of principal executive offices)

(425) 943-4599
(Registrant's telephone number, including area code)

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

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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 past 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 a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer

Non-accelerated filer 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

There were 48,735,066 shares issued and outstanding of the registrant's common stock, par value \$.001 per share, as of November 10, 2015.

RADIANT LOGISTICS, INC.

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RADIANT LOGISTICS, INC.

Condensed Consolidated Balance Sheets

(unaudited)

	September 30, 2015	June 30, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 10,230,604	\$ 7,268,144
Accounts receivable, net of allowance of \$1,373,456 and \$1,551,202, respectively	125,321,716	127,348,546
Employee and other receivables	206,542	110,728
Income tax deposit	3,951,106	4,102,191
Prepaid expenses and other current assets	5,873,342	5,671,872
Deferred tax asset	1,961,703	1,977,433
Total current assets	147,545,013	146,478,914
Furniture and equipment, net	13,015,647	13,175,890
Acquired intangibles, net	80,760,131	82,954,682
Goodwill	63,089,222	63,089,222
Deposits and other assets	2,466,042	3,007,492
Total long-term assets	146,315,395	149,051,396
Total assets	\$ 306,876,055	\$ 308,706,200
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued transportation costs	\$ 89,953,547	\$ 92,025,407
Commissions payable	9,004,134	9,449,047
Other accrued costs	7,307,532	7,732,101
Due to former shareholders of acquired operations	—	683,593
Current portion of notes payable	1,048,624	543,086
Current portion of contingent consideration	1,528,000	1,872,000
Current portion of transition and lease termination liability	1,508,416	282,849
Other current liabilities	331,063	297,727
Total current liabilities	110,681,316	112,885,810
Notes payable, net of current portion	46,141,261	85,892,515
Contingent consideration, net of current portion	5,673,000	5,741,000
Transition and lease termination liability, net of current portion	1,051,024	923
Deferred rent liability	908,360	1,143,749
Deferred tax liability	17,269,192	17,544,417
Other long-term liabilities	1,169,806	1,004,812
Total long-term liabilities	72,212,643	111,327,416
Total liabilities	182,893,959	224,213,226

Stockholders' equity:

Preferred stock, \$0.001 par value, 5,000,000 shares authorized; 839,200 shares issued and		
outstanding, liquidation preference of \$20,980,000	839	839
Common stock, \$0.001 par value, 100,000,000 shares authorized; 48,728,826 and 42,563,224		
shares issued and outstanding, respectively	30,183	24,018
Additional paid-in capital	113,443,437	74,658,960
Deferred compensation	(2,905)	(4,166)
Retained earnings	9,973,790	10,146,282
Accumulated other comprehensive income (loss)	460,050	(394,547)
Total Radiant Logistics, Inc. stockholders' equity	123,905,394	84,431,386
Non-controlling interest	76,702	61,588
Total stockholders' equity	123,982,096	84,492,974
Total liabilities and stockholders' equity	\$ 306,876,055	\$ 308,706,200

The accompanying notes form an integral part of these condensed consolidated financial statements.

RADIANT LOGISTICS, INC.

Condensed Consolidated Statements of Operations and Comprehensive Income

(unaudited)

	Three Months Ended September 30,	
	2015	2014
Revenues	\$218,652,572	\$98,231,388
Cost of transportation	167,939,467	71,906,605
Net revenues	50,713,105	26,324,783
Operating partner commissions	22,297,879	13,979,351
Personnel costs	14,443,095	6,559,946
Selling, general and administrative expenses	6,463,434	2,648,066
Depreciation and amortization	3,104,999	1,279,081
Transition and lease termination costs	3,162,228	—
Change in contingent consideration	(412,000)	(550,000)
Total operating expenses	49,059,635	23,916,444
Income from operations	1,653,470	2,408,339
Other income (expense):		
Interest income	6,781	925
Interest expense	(1,417,929)	(91,459)
Foreign exchange gain	250,506	74,498
Other	94,520	52,324
Total other income (expense):	(1,066,122)	36,288
Income before income tax expense	587,348	2,444,627
Income tax expense	(233,338)	(901,926)
Net income	354,010	1,542,701
Less: Net income attributable to non-controlling interest	(15,114)	(22,037)
Net income attributable to Radiant Logistics, Inc.	338,896	1,520,664
Less: Preferred stock dividends	(511,388)	(511,388)
Net income (loss) attributable to common stockholders	\$(172,492)	\$1,009,276
Other comprehensive income:		
Foreign currency translation gain	854,597	—
Comprehensive income	\$682,105	\$1,009,276
Net income per common share - basic and diluted	\$—	\$0.03

Weighted average shares outstanding:

Basic shares	47,375,437	34,349,586
Diluted shares	47,375,437	35,827,335

The accompanying notes form an integral part of these condensed consolidated financial statements.

RADIANT LOGISTICS, INC.

Condensed Consolidated Statement of Stockholders' Equity

(unaudited)

RADIANT LOGISTICS, INC. STOCKHOLDERS' EQUITY

	Preferred Stock		Common Stock		Additional Paid-in Capital	Deferred Compensation	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non- Controlling Interest	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Capital	Compensation	Earnings	(Loss)	Interest	Equity
Balance as of June 30, 2015	839,200	\$ 839	42,563,224	\$ 24,018	\$ 74,658,960	\$(4,166)	\$ 10,146,282	\$(394,547)	\$ 61,588	\$ 84,492,974
Issuance of Common Stock at \$6.75 per share, net of underwriting and offering costs of \$2,969,810	—	—	6,133,334	6,133	38,424,061	—	—	—	—	38,430,194
Share-based compensation	—	—	—	—	388,838	—	—	—	—	388,838
Amortization of deferred compensation	—	—	—	—	—	1,261	—	—	—	1,261
Cashless exercise of stock options	—	—	32,268	32	(86,473)	—	—	—	—	(86,441)
Tax benefit from exercise of stock options	—	—	—	—	58,051	—	—	—	—	58,051
Preferred dividends paid	—	—	—	—	—	—	—	—	—	—