

CUMULUS MEDIA INC  
Form 10-Q  
May 05, 2016  
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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 March 31, 2016

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 000-24525

Cumulus Media Inc.  
(Exact Name of Registrant as Specified in its Charter)

Delaware 36-4159663  
(State or Other Jurisdiction of (I.R.S. Employer  
Incorporation or Organization) Identification No.)

3280 Peachtree Road, NW Suite 2300, 30305  
Atlanta, GA (Address of Principal Executive Offices) (ZIP Code)  
(404) 949-0700  
(Registrant's telephone number, including area code)

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 Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T 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 the definitions 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

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

As of April 28, 2016, the registrant had 234,443,606 outstanding shares of common stock consisting of:

(i) 233,798,935 shares of Class A common stock; and (ii) 644,871 shares of Class C common stock.

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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

## CUMULUS MEDIA INC.

## CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in thousands, except for per share data)

(Unaudited)

	March 31, 2016	December 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	\$58,874	\$ 31,657
Restricted cash	9,791	7,981
Accounts receivable, less allowance for doubtful accounts of \$4,709 and \$4,923 at March 31, 2016 and December 31, 2015, respectively	206,188	243,428
Trade receivable	3,911	4,146
Assets held for sale	45,157	45,157
Prepaid expenses and other current assets	32,877	26,906
Total current assets	356,798	359,275
Property and equipment, net	165,622	169,437
Broadcast licenses	1,578,066	1,578,066
Other intangible assets, net	159,404	174,530
Goodwill	703,354	703,354
Other assets	23,428	17,726
Total assets	\$2,986,672	\$ 3,002,388
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 125,550	\$ 118,396
Trade payable	4,346	4,374
Total current liabilities	129,896	122,770
Long-term debt, excluding 7.75% senior notes, net of debt issuance costs/discounts of \$35,707 and \$37,524 at March 31, 2016 and December 31, 2015, respectively	1,803,233	1,801,416
7.75% senior notes, net of debt issuance costs of \$7,954 and \$8,515 at March 31, 2016 and December 31, 2015, respectively	602,046	601,485
Other liabilities	42,268	44,804
Deferred income taxes	406,745	415,881
Total liabilities	2,984,188	2,986,356
Commitments and Contingencies (Note 10)		
Stockholders' equity:		
Class A common stock, par value \$0.01 per share; 750,000,000 shares authorized; 256,248,431 and 255,902,892 shares issued, and 233,798,935 and 233,456,945 shares outstanding, at March 31, 2016 and December 31, 2015, respectively	2,561	2,558
Class C common stock, par value \$0.01 per share; 644,871 shares authorized, issued and outstanding at both March 31, 2016 and December 31, 2015	6	6
Treasury stock, at cost, 22,449,496 and 22,445,945 shares at March 31, 2016 and December 31, 2015, respectively	(229,310 )	(229,310 )
Additional paid-in-capital	1,620,500	1,619,622
Accumulated deficit	(1,391,273 )	(1,376,844 )

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Total stockholders' equity	2,484	16,032
Total liabilities and stockholders' equity	\$2,986,672	\$ 3,002,388

See accompanying notes to the unaudited condensed consolidated financial statements.

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CUMULUS MEDIA INC.  
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
 (Dollars in thousands, except for share and per share data)  
 (Unaudited)

	Three Months Ended March 31,	
	2016	2015
Net revenue	\$268,530	\$ 271,079
Operating expenses:		
Content costs	100,045	100,807
Selling, general & administrative expenses	117,227	116,307
Depreciation and amortization	23,097	25,311
LMA fees	5,388	2,498
Corporate expenses (including stock-based compensation expense of \$878 and \$3,863, respectively)	12,654	13,462
Loss on sale of assets or stations	5	819
Total operating expenses	258,416	259,204
Operating income	10,114	11,875
Non-operating (expense) income:		
Interest expense	(34,481 )	(34,984 )
Interest income	85	358
Other income, net	720	379
Total non-operating expense, net	(33,676 )	(34,247 )
Loss before income taxes	(23,562 )	(22,372 )
Income tax benefit	9,133	10,357
Net loss	\$(14,429 )	\$(12,015 )
Basic and diluted loss per common share (see Note 8, "Loss Per Share"):		
Basic and diluted loss per share	\$(0.06 )	\$(0.05 )
Weighted average basic and diluted common shares outstanding	234,049,813	233,125,055
See accompanying notes to the unaudited condensed consolidated financial statements.		

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CUMULUS MEDIA INC.  
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
 (Dollars in thousands)  
 (Unaudited)

	Three Months Ended March 31,	
	2016	2015
Cash flows from operating activities:		
Net loss	\$(14,429)	\$(12,015)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	23,097	25,311
Amortization of debt issuance costs/discounts	2,427	2,342
Provision for doubtful accounts	150	596
Loss on sale of assets or stations	—	819
Deferred income taxes	(9,136)	(9,961)
Stock-based compensation expense	878	3,863
Changes in assets and liabilities:		