

BANKRATE INC
Form 10-Q
November 09, 2005

**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, 2005**
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM _____ TO _____**

Commission File No. 0-25681

(Exact name of registrant as specified in its charter)

Florida (State or other jurisdiction of incorporation or organization) **65-0423422** (I.R.S. Employer Identification No.)

11760 U.S. Highway One, Suite 500 **33408**
North Palm Beach, Florida (Zip Code)
(Address of principal executive offices)

Registrant's telephone number, including area code: (561) 630-2400

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 is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes No

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

The number of outstanding shares of the issuer's common stock as of October 31, 2005 was as follows:
15,822,313 shares of Common Stock, \$.01 par value.

Bankrate, Inc.
Quarterly Report on Form 10-Q for the Quarter Ended September 30, 2005
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Introductory Note

This Report and our other communications and statements may contain “forward-looking statements,” including statements about our beliefs, plans, objectives, goals, expectations, estimates, projections and intentions. These statements are subject to significant risks and uncertainties and are subject to change based on various factors, many of which are beyond our control. For information concerning these factors and related matters, see Item 2,

“Management’s Discussion and Analysis of Financial Condition and Results of Operations,” in this Report, and the following sections of our Annual Report on Form 10-K for the year ended December 31, 2004 (the “2004 Form 10-K”): (a) “Risk Factors” in Item 1, “Business,” and (b) “Introduction” in Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Part I. FINANCIAL INFORMATION**Item 1. Financial Statements**

Bankrate, Inc.
Condensed Balance Sheets
(Unaudited)

	September 30, 2005	December 31, 2004
Assets		
Cash and cash equivalents	\$ 40,041,788	\$ 27,735,267
Accounts and notes receivable, net of allowance for doubtful accounts of \$400,000 at September 30, 2005 and December 31, 2004, respectively	5,826,615	4,343,747
Deferred income taxes	5,996,940	4,359,058
Insurance claim receivable	-	241,015
Prepaid and other current assets	306,821	369,572
Total current assets	52,172,164	37,048,659
Furniture, fixtures and equipment, net	912,165	1,275,605
Deferred income taxes	1,069,303	7,047,521
Intangible assets, net	144,806	205,656
Other assets	319,813	429,079
Total assets	\$ 54,618,251	\$ 46,006,520
Liabilities and Stockholders' Equity		
Liabilities:		
Accounts payable	\$ 1,514,834	\$ 1,386,164
Accrued expenses	2,822,260	1,749,058
Deferred revenue	349,590	192,357
Other current liabilities	151,096	93,352
Total current liabilities	4,837,780	3,420,931
Other liabilities	170,121	251,391
Total liabilities	5,007,901	3,672,322
Stockholders' equity:		
Preferred stock, 10,000,000 shares authorized and undesignated	-	-
Common stock, par value \$.01 per share-- 100,000,000 shares authorized; 15,820,334 and 15,780,811 shares issued and outstanding at September 30, 2005 and December 31, 2004, respectively	158,203	157,808

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Additional paid-in capital	70,331,620	70,137,462
Accumulated deficit	(20,879,473)	(27,961,072)
Total stockholders' equity	49,610,350	42,334,198
Total liabilities and stockholders' equity	\$ 54,618,251	\$ 46,006,520

See accompanying notes to condensed financial statements.

Bankrate, Inc.
Condensed Statements of Income
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
Revenue:				
Online publishing	\$ 11,214,265	\$ 8,158,241	\$ 31,684,841	\$ 25,835,196
Print publishing and licensing	1,157,758	1,310,911	3,474,061	4,019,518
Total revenue	12,372,023	9,469,152	35,158,902	29,854,714
Cost of revenue:				
Online publishing	1,902,520	1,337,122	5,365,122	4,181,027
Print publishing and licensing	1,116,943	1,089,374	3,295,487	3,118,284
Total cost of revenue	3,019,463	2,426,496	8,660,609	7,299,311
Gross margin	9,352,560	7,042,656	26,498,293	22,555,403
Operating expenses:				
Sales	943,594	915,102	2,756,038	3,289,232
Marketing				