

RADIANT LOGISTICS, INC
Form 10-Q
February 16, 2016

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 December 31, 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 48,745,540 shares issued and outstanding of the registrant's common stock, par value \$.001 per share, as of February 11, 2016.

RADIANT LOGISTICS, INC.

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RADIANT LOGISTICS, INC.

Condensed Consolidated Balance Sheets

(unaudited)

	December 31, 2015	June 30, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$20,126,312	\$7,268,144
Accounts receivable, net of allowance of \$1,819,512 and \$1,551,202, respectively	107,977,722	127,348,546
Employee and other receivables	120,378	110,728
Income tax deposit	4,954,723	4,102,191
Prepaid expenses and other current assets	5,199,816	5,671,872
Deferred tax asset	1,977,433	1,977,433
Total current assets	140,356,384	146,478,914
Furniture and equipment, net	13,312,694	13,175,890
Acquired intangibles, net	76,088,477	82,954,682
Goodwill	63,119,472	63,089,222
Deposits and other assets	2,223,373	3,007,492
Total long-term assets	141,431,322	149,051,396
Total assets	\$295,100,400	\$308,706,200
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued transportation costs	\$79,819,306	\$92,025,407
Commissions payable	11,504,009	9,449,047
Other accrued costs	5,384,248	7,732,101
Due to former shareholders of acquired operations	—	683,593
Current portion of notes payable	1,537,628	543,086
Current portion of contingent consideration	3,029,000	1,872,000
Current portion of transition and lease termination liability	1,509,761	282,849
Other current liabilities	292,226	297,727
Total current liabilities	103,076,178	112,885,810
Notes payable, net of current portion	47,851,343	85,892,515
Contingent consideration, net of current portion	3,726,000	5,741,000
Transition and lease termination liability, net of current portion	857,112	923
Deferred rent liability	931,840	1,143,749
Deferred tax liability	15,502,503	17,544,417
Other long-term liabilities	778,938	1,004,812
Total long-term liabilities	69,647,736	111,327,416
Total liabilities	172,723,914	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; 48,743,581 and 42,563,224		
shares issued and outstanding, respectively	30,198	24,018
Additional paid-in capital	113,826,750	74,658,960
Deferred compensation	(1,976)	(4,166)
Retained earnings	7,446,336	10,146,282
Accumulated other comprehensive income (loss)	1,026,938	(394,547)
Total Radiant Logistics, Inc. stockholders' equity	122,329,085	84,431,386
Non-controlling interest	47,401	61,588
Total stockholders' equity	122,376,486	84,492,974
Total liabilities and stockholders' equity	\$ 295,100,400	\$ 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 December 31,		Six Months Ended December 31,	
	2015	2014	2015	2014
Revenues	\$206,951,043	\$105,948,104	\$425,603,615	\$204,179,492
Cost of transportation	159,354,826	78,355,731	327,294,293	150,262,336
Net revenues	47,596,217	27,592,373	98,309,322	53,917,156
Operating partner commissions	21,691,079	14,897,910	43,988,958	28,877,261
Personnel costs	13,279,317	6,976,480	27,722,412	13,536,426
Selling, general and administrative expenses	6,628,468	2,882,218	13,091,902	5,530,284
Depreciation and amortization	3,118,854	1,099,713	6,223,853	2,378,794
Transition and lease termination costs	1,157,420	395,086	4,319,648	395,086
Impairment of acquired intangible assets	3,679,825	—	3,679,825	—
Change in contingent consideration	598,233	(170,796)	186,233	(720,796)
Total operating expenses	50,153,196	26,080,611	99,212,831	49,997,055
Income (loss) from operations	(2,556,979)	1,511,762	(903,509)	3,920,101
Other income (expense):				
Interest income	7,696	732	14,477	1,657
Interest expense	(1,317,546)	(96,442)	(2,735,475)	(187,901)
Foreign exchange gain	218,246	37,584	468,752	112,082
Other	23,982	23,149	118,502	75,473
Total other income (expense):	(1,067,622)	(34,977)	(2,133,744)	1,311
Income (loss) before income tax expense	(3,624,601)	1,476,785	(3,037,253)	