

RADIANT LOGISTICS, INC  
Form 10-Q  
May 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 March 31, 2016

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.)

405 114<sup>th</sup> 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 48,775,971 shares issued and outstanding of the registrant's common stock, par value \$.001 per share, as of May 12, 2016.

RADIANT LOGISTICS, INC.

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## RADIANT LOGISTICS, INC.

## Condensed Consolidated Balance Sheets

(unaudited)

	March 31, 2016	June 30, 2015
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 19,796,979	\$ 7,268,144
Accounts receivable, net of allowance of \$1,679,317 and \$1,551,202, respectively	98,737,946	127,348,546
Employee and other receivables	308,809	110,728
Income tax deposit	4,657,411	4,102,191
Prepaid expenses and other current assets	5,036,006	5,671,872
Deferred tax asset	1,976,463	1,977,433
Total current assets	130,513,614	146,478,914
Furniture and equipment, net	12,647,736	13,175,890
Acquired intangibles, net	74,014,497	82,954,682
Goodwill	63,119,472	63,089,222
Deposits and other assets	2,329,910	3,007,492
Total long-term assets	139,463,879	149,051,396
Total assets	\$ 282,625,229	\$ 308,706,200
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued transportation costs	\$ 74,657,886	\$ 92,025,407
Commissions payable	8,848,393	9,449,047
Other accrued costs	5,082,968	7,732,101
Due to former shareholders of acquired operations	—	683,593
Current portion of notes payable	2,185,675	543,086
Current portion of contingent consideration	3,240,000	1,872,000
Current portion of transition and lease termination liability	1,618,189	282,849
Other current liabilities	277,317	297,727
Total current liabilities	95,910,428	112,885,810
Notes payable, net of current portion	45,498,474	85,892,515
Contingent consideration, net of current portion	3,870,000	5,741,000
Transition and lease termination liability, net of current portion	679,338	923
Deferred rent liability	962,812	1,143,749
Deferred tax liability	15,213,174	17,544,417
Other long-term liabilities	830,920	1,004,812
Total long-term liabilities	67,054,718	111,327,416
Total liabilities	162,965,146	224,213,226

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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; 48,752,522 and 42,563,224		
shares issued and outstanding, respectively	30,207	24,018
Additional paid-in capital	114,079,203	74,658,960
Deferred compensation	(1,387 )	(4,166 )
Retained earnings	5,215,894	10,146,282
Accumulated other comprehensive income (loss)	268,136	(394,547 )
Total Radiant Logistics, Inc. stockholders' equity	119,592,892	84,431,386
Non-controlling interest	67,191	61,588
Total stockholders' equity	119,660,083	84,492,974
Total liabilities and stockholders' equity	\$282,625,229	\$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 March 31,		Nine Months Ended March 31,	
	2016	2015	2016	2015
Revenues	\$ 173,275,508	\$ 102,251,690	\$ 598,879,123	\$ 306,431,182
Cost of transportation	131,474,107	75,147,153	458,768,400	225,409,489
Net revenues	41,801,401	27,104,537	140,110,723	81,021,693
Operating partner commissions	18,954,943	13,941,213	62,943,901	42,818,474
Personnel costs	13,185,487	7,221,932	40,907,899	20,758,358
Selling, general and administrative expenses	5,865,425	3,579,001	18,957,327	9,109,285
Depreciation and amortization	3,036,845	1,279,761	9,260,698	3,658,555
Transition and lease termination costs	788,922	—	5,108,570	395,086
Impairment of acquired intangible assets	—	—	3,679,825	—
Change in contingent consideration	441,560	(428,216 )	627,793	(1,149,012 )
Total operating expenses	42,273,182	25,593,691	141,486,013	75,590,746
Income (loss) from operations	(471,781 )	1,510,846	(1,375,290 )	5,430,947
Other income (expense):				
Interest income	29,724	330	44,201	1,987
Interest expense	(1,369,367 )	(140,900 )	(4,104,842 )	(328,801 )
Foreign exchange gain (loss)	(80,159 )	(64,269 )	388,593	47,813
Other	(15,028 )	8,619	103,474	84,092
Total other expense:	(1,434,830 )	(196,220 )	(3,568,574 )	(194,909 )
Income (loss) before income tax expense	(1,906,611 )	1,314,626	(4,943,864 )	5,236,038
Income tax benefit (expense)	207,347	40,553	1,601,242	(1,477,864 )
Net income (loss)	(1,699,264 )	1,355,179	(3,342,622 )	3,758,174
Less: Net income attributable to non-controlling interest	(19,790 )	(19,054 )	(53,603 )	(62,646 )
Net income (loss) attributable to Radiant Logistics, Inc.	(1,719,054 )	1,336,125	(3,396,225 )	3,695,528
Less: Preferred stock dividends	(511,388 )	(511,368 )	(1,534,163 )	(1,534,144 )
Net income (loss) attributable to common stockholders	\$(2,230,442 )	\$ 824,757	\$(4,930,388 )	\$ 2,161,384
Other comprehensive income (loss):				

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Foreign currency translation gain (loss)	(758,802 )	—	662,683	—
Comprehensive income (loss)	\$(2,989,244 )	\$824,757	\$(4,267,705 )	\$2,161,384
Net income (loss) per common share - basic and diluted	\$(0.05 )	\$0.02	\$(0.10 )	\$0.06
Weighted average shares outstanding:				
Basic shares	48,745,727	34,758,931	48,282,964	34,577,405
Diluted shares	48,745,727	36,476,629	48,282,964	36,161,557

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	—	—	6,133,334	6,133	38,424,061	—	—	—	—	38,430,194
Issuance of common stock  to former Copper Logistics shareholders at  \$4.23 per share	—	—	7,385	7	31,243	—	—	—	—	31,250
Share-based compensation	—	—	—	—	1,082,390	—	—	—	—	1,082,390
Amortization of deferred	—	—	—	—	—	2,779	—	—	—	2,779

compensation

Cashless  
exercise of  
stock

options	—	—	48,579	49	(119,602 )
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