SAN JOSE, Calif., Oct. 29, 2013 /PRNewswire/ -- Move, Inc. (NASDAQ: MOVE), the leader in online real estate, today reported financial results for the third quarter ended September 30, 2013
.

Third Quarter 2013 Highlights

- Q3 Revenue increased 19% to $58.8 million
- Consumer Advertising revenue increased 14% year-over-year to $45.6 million
- Software and Services revenue increased 41% year-over-year to $13.2 million
- Non-GAAP Adjusted EBITDA was $8.0 million
- Average monthly unique users of Move's web and mobile sites grew 22% year-over-year

to over 28 million in the third quarter

"The third quarter was a strong quarter for Move, with both consumer advertising revenue and software and services revenue growing, resulting in our eighth straight quarter of sequential revenue growth," said Steve Berkowitz, CEO of Move. "We are continuing to execute efficiently and effectively and will continue to capitalize on the market opportunity in front of us."

Third Quarter 2013 Financial ResultsRevenue for the quarter was $58.8 million, an increase of $9.4 million
, or 19%, from
$49.4 million
in the third quarter of 2012. Revenue from Consumer Advertising products increased 14% to
$45.6 million
in the third quarter of 2013 compared to the same period in 2012. Revenue from Software and Services products increased 41% to
$13.2 million
compared to the third quarter of 2012.

Non-GAAP Adjusted EBITDA ("Adjusted EBITDA") was $8.0 million in the third quarter of 2013. As a percentage of revenue, Adjusted EBITDA was 14% in the third quarter of 2013.
Non-GAAP Earnings Per Share was
$0.11
per diluted share in the third quarters of 2013 and 2012. Move has reported Adjusted EBITDA and Non-GAAP Earnings Per Share because management uses it to monitor and assess the Company's performance and believes it is helpful to investors in understanding the Company's business.

Cash provided by operating activities was $10.5 million and $10.1 million for the quarters ended
September 30, 2013
and 2012, respectively.

Operating and Business Results

- Following the National Association of Realtors® July vote to allow realtor.com® to further expand and enrich its content, realtor.com

®

added significant new content to its website and mobile web offerings including information on more than 48,000 new home plans and thousands of communities, over 30,000 rental properties, and thousands more for-sale listings.

- Move completed a $100.0 million private placement of convertible senior notes due in 2018 and concurrently utilized $25.0 million of the net proceeds from the offering to purchase shares of its common stock.
- Move grew unique users 22% year-over-year, to over 28 million, up from an 18% increase last quarter.
- In October, Move acquired FiveStreet, a company that offers a lead consolidation and response tool for agents, agent-teams and brokerages.
- Also in October, ListHub announced a new agreement with the Houston Association of Realtors ® to provide services to its more than 26,000 members, including a centralized control panel for online distribution and marketing choices, consolidated marketing analytics, centralized lead and traffic routing, and important data licensing protections.
- Realtor.com® received a silver MIXX award from Interactive Advertising Bureau for the "Find It First" advertising campaign.
- Realtor.com® updated its rentals app to notify users when they are near a rental property they have previously visited or saved within the app. The enhanced app also allows users to upload photos, take notes and share listings via email or text message and through AirDrop for iOS 7 users.
- Move signed industry-first agreements with MetroList Services, Inc. and i-Tech MLS, providing reciprocal deep linking to multiple listing service content via the FIND SM application, a service of Move.
- Top Producer continues to enhance functionality and ease of use, launching 'Follow-up Coach' in the quarter, a new feature that helps agents organize and prioritize client follow-up.

Convertible Senior NotesIn August 2013, the Company issued 2.75% convertible senior notes due September 1, 2018 (the "Notes") with a principal amount of $100.0 million. The Notes are unsecured, unsubordinated obligations, and interest is payable in cash in arrears at a fixed rate of 2.75% on March 1 and September 1 of each year, beginning on March 1, 2014. The Notes mature on September 1, 2018 unless repurchased or converted in accordance with their terms prior to such date. The Company cannot redeem the Notes prior to maturity.

The initial net proceeds from the sale of the Notes were $96.6 million after deducting the transaction costs paid by the Company. In connection with the sale of the Notes, the Company purchased 1,798,561 shares of its outstanding common stock in privately negotiated transactions for an aggregate purchase price of $25.0 million. The Company intends to use the remainder of the net proceeds of the Notes offering for general corporate purposes and potential future acquisitions and strategic transactions.

Business OutlookFor the year ending December 31, 2013, Move expects revenue of approximately $227 million and expects to report Adjusted EBITDA margin of approximately 12–13%.

Conference Call As previously announced, Move will host a conference call, which will be broadcast live over the Internet today, Tuesday, October 29, 2013. To access the call, please dial (877) 870-4263, or outside the U.S. (412) 317-0790, five minutes prior to 2:00 p.m. Pacific Daylight Time. A live webcast of the call will also be available at http://investor.move.com under the Events & Presentations menu.

An audio replay will be available between 3:00 p.m. Pacific Daylight Time October 29, 2013, and 6:00 a.m. Pacific Standard Time November 6, 2013, by calling (877) 344-7529 or (412) 317-0088, with Conference ID 10035312. An audio archive of the call will also be available at http://investor.move.com.

Use of Non-GAAP Financial Measures—Adjusted EBITDA and Non-GAAP Earnings Per Share To supplement its consolidated financial statements presented in accordance with generally accepted accounting principles in the United States ("GAAP"), Move uses a non-GAAP measure of net income excluding net interest expense, income tax expense and certain other noncash and nonrecurring items, principally depreciation, amortization and stock-based compensation and charges, which is referred to as Adjusted EBITDA. Move also uses a non-GAAP measure of net income applicable to common shareholders excluding convertible preferred stock dividends and related accretion, stock-based compensation and

charges, amortization of intangible assets, and amortization of debt discount and issuance costs, on a per share basis, which is referred to as Non-GAAP Earnings Per Share. Additionally, the Company has presented a non-GAAP table of Financial Data for the three- and nine-month periods ended
September 30, 2013
and 2012 that extracts stock-based compensation and charges. A reconciliation of these non-GAAP measures to GAAP is provided in the attached tables. These non-GAAP adjustments are provided to enhance the user's overall understanding of Move's current financial performance and its prospects for the future and should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP. These non-GAAP measures are the primary basis management uses for planning and forecasting its future operations. Move believes these non-GAAP results provide useful information to both management and investors by excluding certain expenses that it believes are not indicative of its core operating results and provide a more consistent basis for comparison between quarters and should be carefully evaluated. Move, Inc. has reported Adjusted EBITDA and Non-GAAP Earnings Per Share because management uses it to monitor and assess the Company's performance and believes it is helpful to investors in understanding the Company's business.

Unique Users Move calculates total average monthly unique users across its network of websites and mobile apps as follows: We count a unique user the first time an individual accesses one of our mobile applications using a mobile device during a calendar month and the first time an individual accesses one of our websites using a web browser during a calendar month. If an individual accesses our mobile applications using different mobile devices within a given calendar month, the first instance of access by each such mobile device is counted as a separate unique user. If an individual accesses our websites using different web browsers within a calendar month, the first instance of access by each such web browser is counted as a separate unique user. If an individual accesses more than one of our websites from the same web browser in a calendar month, the first instance of access to each website is counted as a separate unique user. We measure unique users to our mobile apps using Omniture. We primarily measure unique users to our network of websites using Omniture. We use Google Analytics to measure unique users to certain websites that amount to less than 5% of our total unique user metric. Prior to the first quarter of 2013, we reported unique users using comScore measurements, rather than internal calculations.

Forward-Looking Statements This press release may contain forward-looking statements, including information about management's view of Move's future expectations, plans and prospects, within the safe harbor provisions under The Private Securities Litigation Reform Act of 1995. These statements involve known and unknown risks, uncertainties and other factors which may cause the results of Move, its subsidiaries, divisions and concepts to be materially different than those expressed or implied in such statements. These risk factors and others are included from time to time in documents Move files with the Securities and Exchange Commission, including but not limited to, its Form 10-Ks, Form 10-Qs and Form 8-Ks. Other unknown or unpredictable factors also could have material adverse effects on Move's future results. The forward-looking statements included in this press release are made only as of the date hereof. Move cannot guarantee future results, levels of activity, performance or achievements. Accordingly, you should not place undue reliance on these forward-looking statements. Finally, Move expressly disclaims any intent or obligation to update any forward-looking statements to reflect subsequent events or circumstances.

ABOUT MOVE, INC. Move, Inc. (NASDAQ: MOVE), the leader in online real estate, operates: realtor.com®, the official website of the National Association of REALTORS®; Move.com, a leading destination for new homes and rental listings, moving, home and garden, and home finance; ListHub™, the leading syndicator of real estate listings; Moving.com™; SeniorHousingNet; SocialBios; Doorsteps; TigerLead®; and TOP PRODUCER® Systems. Move, Inc. is based in San Jose, California.

MOVE, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share amounts)

Three Months Ended September 30,

Nine Months Ended September 30,

2013

2012

2013

2012

(unaudited)

(unaudited)

Revenue

$

58,825

$

49,446

$

170,553

$

146,496

Cost of revenue [1]

13,766

10,236

40,263

29,509

Gross profit

45,059

39,210

130,290

116,987

Operating expenses:

Sales and marketing [(1)]

20,955

17,235

61,759

53,005

Product and web site development[1]

9,894

9,412

29,323

27,603

General and administrative[1]

12,209

10,464

35,732

31,514

Amortization of intangible assets

1,110

500

3,172

1,294

Total operating expenses

44,168

37,611

129,986

113,416

Operating income

891

1,599

304

3,571

Interest expense, net

(917)

(1)

(944)

—

Earnings of unconsolidated joint venture

585

290

1,650

710

Other expense, net

(46)

—

(81)

(69)

Income before income taxes

513

1,888

929

4,212

Income tax expense

375

103

425

175

Net income

138

1,785

504

4,037

Convertible preferred stock dividend and related accretion

—

—

—

(942)

Net income applicable to common stockholders

$

138

$

1,785

$

504

$

3,095

Basic net income per share applicable to common stockholders

$

0.00

$

0.05

$

0.01

$

0.08

Diluted net income per share applicable to common stockholders

$

0.00

$

0.04

$

0.01

$

0.08

Shares used to calculate net income per share applicable to common stockholders:

Basic

39,061

38,798

39,215

38,661

Diluted

41,482

39,895

40,913

39,660

(1) Includes stock-based compensation and charges as follows:

Cost of revenue

$

74

$

71

$

261

$

193

Sales and marketing

648

361

1,746

1,554

Product and web site development

723

527

2,050

1,412

General and administrative

1,297

1,037

4,184

2,697

$

2,742

$

1,996

$

8,241

$

5,856

MOVE, INC.

CONSOLIDATED BALANCE SHEETS

(in thousands)

September 30, 2013

December 31, 2012

(unaudited)

ASSETS

Current assets:

Cash and cash equivalents

$

113,672

$

27,122

Accounts receivable, net

12,494

11,759

Other current assets

8,376

7,215

Total current assets

134,542

46,096

Property and equipment, net

23,198

21,975

Investment in unconsolidated joint venture

5,390

4,924

Goodwill, net

39,030

38,560

Intangible assets, net

23,052

24,444

Other assets

3,485

870

Total assets

$

228,697

$

136,869

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Accounts payable

$

6,673

$

4,741

Accrued expenses

22,583

20,512

Deferred revenue

7,705

8,520

Total current liabilities

36,961

33,773

Convertible senior notes

81,670

—

Other noncurrent liabilities

5,271

5,086

Total liabilities

123,902

38,859

Stockholders' equity:

Series A convertible preferred stock

—

—

Common stock

39

39

Additional paid-in capital

2,138,529

2,132,189

Accumulated other comprehensive income

160

219

Accumulated deficit

(2,033,933)

(2,034,437)

Total stockholders' equity

104,795

98,010

Total liabilities and stockholders' equity

$

228,697

$

136,869

MOVE, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

Nine Months Ended September 30,

2013

2012

(unaudited)

Cash flows from operating activities:

Net income

$

504

$

4,037

Adjustments to reconcile net income to net cash provided by operating activities:

Depreciation

7,680

7,195

Amortization of intangible assets

3,172

1,294

Amortization of debt discount and issuance costs

516

—

Provision for doubtful accounts

445

486

Stock-based compensation and charges

8,241

5,856

Earnings of unconsolidated joint venture

(1,650)

(710)

Return on investment in unconsolidated joint venture

602

255

Other noncash items

(5)

(40)

Changes in operating assets and liabilities:

Accounts receivable

(1,180)

(1,100)

Other assets

(932)

(144)

Accounts payable and accrued expenses

4,114

2,816

Deferred revenue

(722)

(1,163)

Net cash provided by operating activities

20,785

18,782

Cash flows from investing activities:

Purchases of property and equipment

(8,957)

(6,672)

Proceeds from sale of assets

—

9

Acquisitions, net of cash acquired

(2,250)

(22,000)

Return of investment in unconsolidated joint venture

582

724

Net cash used in investing activities

(10,625)

(27,939)

Cash flows from financing activities:

Principal payments on loan payable

(19)

(82)

Proceeds from borrowings on convertible senior notes, net of issuance costs

96,608

—

Redemption of convertible preferred stock

—

(49,044)

Payment of dividends on convertible preferred stock

—

(882)

Proceeds from exercise of stock options

8,216

3,060

Tax payments related to net share settlements of equity awards

(2,405)

(529)

Repurchases of common stock

(26,010)

(69)

Net cash provided by (used in) financing activities

76,390

(47,546)

Change in cash and cash equivalents

86,550

(56,703)

Cash and cash equivalents, beginning of period

27,122

87,579

Cash and cash equivalents, end of period

$

113,672

$

30,876

MOVE, INC.

REVENUE BY TYPE

(in thousands)

Three Months Ended September 30,

Nine Months Ended September 30,

2013

2012

2013

2012

(unaudited)

(unaudited)

Revenue

Consumer advertising

$

45,630

$

40,113

$

132,348

$

120,661

Software and services

13,195

9,333

38,205

25,835

Total revenue

$

58,825

$

49,446

$

170,553

$

146,496

Percentage of revenue

Consumer advertising

78%

81%

78%

82%

Software and services

22%

19%

22%

18%

Total

100%

100%

100%

100%

MOVE, INC.

RECONCILIATION OF NET INCOME TO NON-GAAP ADJUSTED EBITDA

(in thousands)

Three Months Ended September 30,

Nine Months Ended September 30,

2013

2012

2013

2012

(unaudited)

(unaudited)

Net income

$

138

$

1,785

$

504

$

4,037

Plus:

Stock-based compensation and charges

2,742

1,996

8,241

5,856

Depreciation

2,762

2,282

7,680

7,195

Amortization of intangible assets, including unconsolidated joint venture

1,110

697

3,172

1,886

Interest expense, net

917

1

944

—

Income tax expense

375

103

425

175

Non-GAAP Adjusted EBITDA

$

8,044

$

6,864

$

20,966

$

19,149

MOVE, INC.

RECONCILIATION OF EARNINGS PER SHARE TO NON-GAAP EARNINGS PER SHARE

(in thousands)

Three Months Ended September 30,

Nine Months Ended September 30,

2013

2012

2013

2012

(unaudited)

(unaudited)

Net income applicable to common stockholders

$

138

$

1,785

$

504

$

3,095

Plus:

Convertible preferred stock dividend and related accretion

—

—

—

942

Stock-based compensation and charges

2,742

1,996

8,241

5,856

Amortization of intangible assets, including unconsolidated joint venture

1,110

697

3,172

1,886

Amortization of debt discount and issuance costs

516

—

516

—

Non-GAAP net income applicable to common stockholders

$

4,506

$

4,478

$

12,433

$

11,779

Basic earnings per share

$

0.00

$

0.05

$

0.01

$

0.08

Diluted earnings per share

$

0.00

$

0.04

$

0.01

$

0.08

Non-GAAP basic earnings per share

$

0.12

$

0.12

$

0.32

$

0.30

Non-GAAP diluted earnings per share

$

0.11

$

0.11

$

0.30

$

0.30

Shares used to calculate earnings per share:

Basic

39,061

38,798

39,215

38,661

Diluted

41,482

39,895

40,913

39,660

MOVE, INC.

OPERATING RESULTS NET OF STOCK-BASED COMPENSATION AND CHARGES

(in thousands)

Three Months Ended

Three Months Ended

September 30, 2013

September 30, 2012

(unaudited)

(unaudited)

As Reported

Stock-based Compensation and Charges

Excluding Stock-based Compensation and Charges

As Reported

Stock-based Compensation and Charges

Excluding Stock-based Compensation and Charges

Revenue

$

58,825

$

—

$

58,825

$

49,446

$

—

$

49,446

Cost of revenue

13,766

(74)

13,692

10,236

(71)

10,165

Gross profit

45,059

74

45,133

39,210

71

39,281

Sales and marketing

20,955

(648)

20,307

17,235

(361)

16,874

Product and web site development

9,894

(723)

9,171

9,412

(527)

8,885

General and administrative

12,209

(1,297)

10,912

10,464

(1,037)

9,427

Amortization of intangible assets

1,110

—

1,110

500

—

500

Total operating expenses

44,168

(2,668)

41,500

37,611

(1,925)

35,686

Operating income

$

891

$

2,742

$

3,633

$

1,599

$

1,996

$

3,595

Nine Months Ended

Nine Months Ended

September 30, 2013

September 30, 2012

(unaudited)

(unaudited)

As Reported

Stock-based Compensation and Charges

Excluding Stock-based Compensation and Charges

As Reported

Stock-based Compensation and Charges

Excluding Stock-based Compensation and Charges

Revenue

$

170,553

$

—

$

170,553

$

146,496

$

—

$

146,496

Cost of revenue

40,263

(261)

40,002

29,509

(193)

29,316

Gross profit

130,290

261

130,551

116,987

193

117,180

Sales and marketing

61,759

(1,746)

60,013

53,005

(1,554)

51,451

Product and web site development

29,323

(2,050)

27,273

27,603

(1,412)

26,191

General and administrative

35,732

(4,184)

31,548

31,514

(2,697)

28,817

Amortization of intangible assets

3,172

—

3,172

1,294

—

1,294

Total operating expenses

129,986

(7,980)

122,006

113,416

(5,663)

107,753

Operating income

$

304

$

8,241

$

8,545

$

3,571

$

5,856

$

9,427

MOVE, INC.

AVERAGE MONTHLY UNIQUE USERS

(in thousands)

Three Months Ended September 30,

2013

2012

% Change

(unaudited)

Unique users

28,322

23,287

22%

SOURCE Move, Inc.

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