

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**Date of report (Date of earliest event reported): May 9, 2018**

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**comScore, Inc.**  
(Exact name of registrant as specified in charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-33520**  
(Commission  
File Number)

**54-1955550**  
(IRS Employer  
Identification No.)

**11950 Democracy Drive  
Suite 600  
Reston, Virginia 20190**  
(Address of principal executive offices, including zip code)

**(703) 438-2000**  
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02 Results of Operations and Financial Condition.**

On May 9, 2018, comScore, Inc. (the “Company”) issued a press release announcing its financial results for the period ended March 31, 2018. A copy of the press release announcing the foregoing is furnished as Exhibit 99.1 hereto and is incorporated herein by reference.

The information in this Item 2.02, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, regardless of any general incorporation language in such filing.

**Item 9.01 Financial Statements and Exhibits.**

**(d) Exhibits.**

| <u>Exhibit No.</u> | <u>Description</u>                              |
|--------------------|---|
| 99.1               | <a href="#">Press release dated May 9, 2018</a> |

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**comScore, Inc.**

By: /s/ Carol A. DiBattiste

Carol A. DiBattiste

General Counsel & Chief Compliance, Privacy and  
People Officer

Date: May 9, 2018

**Investor Contact:**

Erica J. Abrams

[erica@ericajabrams.com](mailto:erica@ericajabrams.com)**comScore Returns to Revenue Growth for the First Quarter 2018**

**RESTON, VA, May 9, 2018** – comScore, Inc. (OTC: SCOR), a leading cross-platform measurement company that measures audiences, brands and consumer behavior everywhere, today reported financial results for the first quarter of 2018, ended March 31, 2018.

Revenue advanced 5% year-over-year for the first quarter of 2018 to \$105.9 million from \$100.9 million reported in the same period for 2017. GAAP net loss for the first quarter of 2018 was \$51.5 million, or \$(0.93) per share as compared to \$40.8 million, or \$(0.71) per share reported in the same period for 2017.

Revenue from the digital audience product offering in the first quarter of 2018 was \$57.8 million, consistent with the same period of 2017. TV and Cross-Platform revenue increased 15% year-over-year to \$25.3 million. Advertising product revenue increased 6% year-over-year to \$12.2 million and movies revenue increased 13% year-over-year to \$10.6 million. All revenue figures reflect the implementation of new revenue standard ASC 606.

On a non-GAAP basis, net loss for the first quarter of 2018 was \$13.8 million, or \$(0.25) per share, excluding investigation and audit-related expenses, stock-based compensation expense and certain other items as presented in the accompanying tables. This compares to a non-GAAP net loss of \$17.7 million, or \$(0.31) per share, reported in the same period for 2017.

For the first quarter of 2018, comScore generated adjusted EBITDA of \$3.6 million, excluding investigation and audit-related expenses, stock-based compensation and certain other items as presented in the accompanying tables. This compares to adjusted EBITDA loss of \$(1.9) million reported in the same period one year ago.

“I am excited to lead comScore at this pivotal moment in the advertising industry,” commented Bryan Wiener, CEO-elect. “With an unmatched data footprint, universal brand recognition and loyal customers across major brands and media companies, we’re positioned to lead the marketplace as the independent cross-platform measurement solution that will empower our partners to make business decisions with complete confidence.”

Wiener added, “To meet this aim, we plan to accelerate product innovation, increase operational excellence and simplify our cost structure. Our revenue results in the first quarter demonstrate relative stability in our digital business and encouraging growth in our TV and Cross-Platform business and other investment areas.”

“As CEO, my priority will be to drive meaningful change within the company by reenergizing our teams around a clearly defined strategy that will allow us to reach our full potential as the market leader in cross-platform measurement. I look forward to communicating more details of this strategy on our next earnings call in August,” continued Wiener.

**Conference Call information for today Wednesday, May 9 at 5:00 p.m. ET**

Management will provide commentary on the company’s results in a conference call today at 5:00 p.m. ET. To access this call, dial 800-263-0877 (domestic) or +1 323-794-2094 (international) and reference conference ID 5244430. Participants are advised to dial in at least 10 minutes prior to the call to register. Additionally, a webcast

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of the conference call will be available on the Investor Relations section of the company's website at [ir.comscore.com/events-presentations](http://ir.comscore.com/events-presentations).

#### **About comScore**

comScore is a leading cross-platform measurement company that measures audiences, brands and consumer behavior everywhere. Built on precision and innovation, our data footprint combines proprietary digital, TV and movie intelligence with vast demographic details to quantify consumers' multiscreen behavior at massive scale. This approach helps media companies monetize their complete audiences and allows marketers to reach these audiences more effectively. With more than 3,200 clients and global footprint in 70 countries, comScore is delivering the future of measurement. Shares of comScore stock are currently traded on the OTC Market (OTC: SCOR). For more information on comScore, please visit [comscore.com](http://comscore.com).

#### **Cautionary Note Regarding Forward-Looking Statements**

This press release contains forward-looking statements within the meaning of federal and state securities laws, including, without limitation, comScore's expectations and opinions regarding business and market opportunities, product development and innovation, competitive advantages, financial stability and growth, operational improvements, changes to cost structure, strategic plans, and plans to hold future earnings calls. These statements involve risks and uncertainties that could cause actual events to differ materially from expectations, including, but not limited to, comScore's ability to achieve its expected strategic, financial and operational plans. For additional discussion of risk factors, please refer to comScore's respective Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and other filings that comScore makes from time to time with the U.S. Securities and Exchange Commission (the "SEC"), which are available on the SEC's website ([www.sec.gov](http://www.sec.gov)).

Investors are cautioned not to place undue reliance on our forward-looking statements, which speak only as of the date such statements are made. comScore does not intend or undertake any obligation to publicly update any forward-looking statements to reflect events, circumstances or new information after the date of this press release, or to reflect the occurrence of unanticipated events.

#### **Use of Non-GAAP Financial Measures**

To provide investors with additional information regarding our financial results, we are disclosing herein non-GAAP net income (loss) and net income (loss) per share and adjusted EBITDA, each of which are non-GAAP financial measures used by our management to understand and evaluate our core operating performance and trends. We believe that these non-GAAP financial measures provide useful information to investors and others in understanding and evaluating our operating results, as they permit our investors to view our core business performance using the same metrics that management uses to evaluate our performance. Nevertheless, our use of these non-GAAP financial measures has limitations as an analytical tool, and investors should not consider these measures in isolation or as a substitute for analysis of our results as reported under GAAP. Instead, you should consider these measures alongside GAAP-based financial performance measures, net income (loss), various cash flow metrics, and our other GAAP financial results.

Set forth below are reconciliations of these non-GAAP financial measures to their most directly comparable GAAP financial measures. These reconciliations should be carefully evaluated.

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**COMSCORE, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In thousands, except share amounts)

|   | March 31, 2018 | December 31, 2017 |
|---|----------------|-------------------|
|   | (Unaudited)    |                   |
| <b>Assets</b>   |                |                   |
| Current assets:   |                |                   |
| Cash and cash equivalents   | \$ 67,266      | \$ 37,859         |
| Restricted cash   | 7,564          | 7,266             |
| Accounts receivable, net of allowances of \$1,779 and \$1,991, respectively (\$1,487 and \$2,899 of accounts receivable attributable to related parties)  | 70,902         | 82,029            |
| Prepaid expenses and other current assets   | 15,581         | 15,168            |
| Insurance recoverable on litigation settlements   | 37,232         | 37,232            |
| Total current assets  | 198,545        | 179,554           |
| Property and equipment, net   | 26,894         | 28,893            |
| Other non-current assets  | 8,106          | 7,259             |
| Deferred tax assets   | 4,252          | 4,532             |
| Intangible assets, net  | 151,275        | 159,777           |
| Goodwill  | 643,006        | 642,424           |
| Total assets  | \$ 1,032,078   | \$ 1,022,439      |
| <b>Liabilities and Stockholders' Equity</b>   |                |                   |
| Current liabilities:  |                |                   |
| Accounts payable (\$227 and \$2,715 attributable to related parties)  | \$ 26,223      | \$ 27,889         |
| Accrued expenses (\$1,442 and \$5,857 attributable to related parties)  | 68,966         | 86,031            |
| Accrued litigation settlements  | 27,447         | 27,718            |
| Other current liabilities   | 9,428          | 10,485            |
| Deferred revenue (\$2,386 and \$2,755 attributable to related parties)  | 96,388         | 98,367            |
| Financing derivatives, current  | 4,100          | —                 |
| Total current liabilities   | 232,552        | 250,490           |
| Financing derivatives   | 11,020         | —                 |
| Senior secured convertible notes  | 126,246        | —                 |
| Deferred tax liabilities  | 4,259          | 3,641             |
| Accrued litigation settlements  | 90,800         | 90,800            |
| Other non-current liabilities   | 18,458         | 21,016            |
| Total liabilities   | 483,335        | 365,947           |
| Commitments and contingencies   |                |                   |
| Stockholders' equity:   |                |                   |
| Preferred stock, \$0.001 par value per share; 5,000,000 shares authorized at March 31, 2018 and December 31, 2017; no shares issued or outstanding as of March 31, 2018 and December 31, 2017   | —              | —                 |
| Common stock, \$0.001 par value per share; 100,000,000 shares authorized as of March 31, 2018 and December 31, 2017; 60,382,466 shares issued and 55,017,670 shares outstanding as of March 31, 2018 and 60,053,843 shares issued and 57,289,047 shares outstanding as of December 31, 2017, respectively | 60             | 60                |
| Additional paid-in capital  | 1,414,109      | 1,407,717         |
| Accumulated other comprehensive loss  | (4,609)        | (6,224)           |
| Accumulated deficit   | (661,277)      | (609,091)         |
| Treasury stock, at cost, 5,364,796 and 2,764,796 shares as of March 31, 2018 and December 31, 2017, respectively  | (199,540)      | (135,970)         |
| Total stockholders' equity  | 548,743        | 656,492           |
| Total liabilities and stockholders' equity  | \$ 1,032,078   | \$ 1,022,439      |

**COMSCORE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
**(Unaudited)**  
**(In thousands, except share and per share data)**

|   | Three Months Ended March 31, |             |
|---|------------------------------|-------------|
|   | 2018                         | 2017        |
| Revenues <sup>(1)</sup>   | \$ 105,919                   | \$ 100,861  |
| Cost of revenues <sup>(1) (2) (3)</sup>   | 47,254                       | 47,313      |
| Selling and marketing <sup>(1) (2) (3)</sup>                                    | 25,905                       | 29,733      |
| Research and development <sup>(1) (2) (3)</sup>                                 | 18,716                       | 21,020      |
| General and administrative <sup>(1) (2) (3)</sup>                               | 18,661                       | 17,785      |
| Investigation and audit related <sup>(1)</sup>                                  | 31,867                       | 17,678      |
| Amortization of intangible assets   | 8,544                        | 8,735       |
| Settlement of litigation, net   | —                            | 1,533       |
| Restructuring   | 1,257                        | —           |
| Total expenses from operations  | 152,204                      | 143,797     |
| Loss from operations  | (46,285)                     | (42,936)    |
| Interest expense, net <sup>(1)</sup>  | (2,905)                      | (154)       |
| Other income, net   | 77                           | 3,184       |
| Loss from foreign currency transactions   | (922)                        | (20)        |
| Loss before income taxes  | (50,035)                     | (39,926)    |
| Income tax provision  | (1,415)                      | (866)       |
| Net loss  | \$ (51,450)                  | \$ (40,792) |
| Net loss per common share:  |                              |             |
| Basic   | \$ (0.93)                    | \$ (0.71)   |
| Diluted   | (0.93)                       | (0.71)      |
| Weighted-average number of shares used in per share calculation - Common Stock: |                              |             |
| Basic   | 55,227,046                   | 57,274,851  |
| Diluted   | 55,227,046                   | 57,274,851  |
| Comprehensive loss:   |                              |             |
| Net loss  | \$ (51,450)                  | \$ (40,792) |
| Other comprehensive income:   |                              |             |
| Foreign currency cumulative translation adjustment                              | 1,615                        | 603         |
| Total comprehensive loss  | \$ (49,835)                  | \$ (40,189) |

<sup>(1)</sup> Transactions with related parties are included in the line items above.

<sup>(2)</sup> Amortization of stock-based compensation expense is included in the line items above as follows:

|                            | Three Months Ended March 31, |          |
|----------------------------|------------------------------|----------|
|                            | 2018                         | 2017     |
| Cost of revenues           | \$ 213                       | \$ 629   |
| Selling and marketing      | 575                          | 1,446    |
| Research and development   | 344                          | 821      |
| General and administrative | 749                          | 924      |
|                            | \$ 1,881                     | \$ 3,820 |

<sup>(3)</sup> Excludes amortization of intangible assets, which is presented separately in the Condensed Consolidated Statements of Operations and Comprehensive Loss.



**COMSCORE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)  
(In thousands)

|   | Three Months Ended March 31, |             |
|---|------------------------------|-------------|
|   | 2018                         | 2017        |
| <b>Operating activities</b>   |                              |             |
| Net loss  | \$ (51,450)                  | \$ (40,792) |
| Adjustments to reconcile net loss to net cash used in operating activities: |                              |             |
| Depreciation  | 4,563                        | 6,129       |
| Amortization of intangible assets   | 8,544                        | 8,735       |
| Stock-based compensation  | 1,881                        | 3,820       |
| Deferred tax benefit  | 906                          | 879         |
| Change in fair value of financing derivatives                               | 2,180                        | —           |
| Change in fair value of equity securities                                   | 449                          | —           |
| Accretion of debt discount  | 752                          | —           |
| Amortization of deferred financing costs                                    | 207                          | —           |
| Other   | (69)                         | 806         |
| Changes in operating assets and liabilities:                                |                              |             |
| Accounts receivable   | 11,095                       | 8,271       |
| Prepaid expenses and other assets   | (597)                        | (14,932)    |
| Accounts payable, accrued expenses, and other liabilities                   | (19,761)                     | 19,807      |
| Deferred revenue  | (3,498)                      | 5,325       |
| Net cash used in operating activities                                       | (44,798)                     | (1,952)     |
| <b>Investing activities</b>   |                              |             |
| Purchase of property and equipment  | (2,657)                      | (2,999)     |
| Net cash used in investing activities                                       | (2,657)                      | (2,999)     |
| <b>Financing activities</b>   |                              |             |
| Proceeds from borrowings on senior secured convertible notes                | 85,000                       | —           |
| Debt issuance costs   | (4,315)                      | —           |
| Financing proceeds received on subscription receivable (related party)      | 3,065                        | 1,259       |
| Repurchase of Common Stock (withholding taxes)                              | (4,099)                      | (1,262)     |
| Principal payments on capital lease and software license arrangements       | (2,859)                      | (4,499)     |
| Net cash provided by (used in) financing activities                         | 76,792                       | (4,502)     |
| Effect of exchange rate changes on cash                                     | 368                          | (1,721)     |
| Net increase (decrease) in cash, cash equivalents and restricted cash       | 29,705                       | (11,174)    |
| Cash, cash equivalents and restricted cash at beginning of period           | 45,125                       | 88,341      |
| Cash, cash equivalents and restricted cash at end of period                 | \$ 74,830                    | \$ 77,167   |
| <b>Three Months Ended March 31,</b>   |                              |             |
|   | <b>2018</b>                  | <b>2017</b> |
| Cash and cash equivalents   | \$ 67,266                    | \$ 72,635   |
| Restricted cash   | 7,564                        | 4,532       |
| Total cash, cash equivalents and restricted cash                            | \$ 74,830                    | \$ 77,167   |

## Reconciliation of Non-GAAP Financial Measures

The following table presents a reconciliation of Adjusted EBITDA to net loss for each of the periods identified:

| <i>(In thousands)</i>                          | Three Months Ended March 31, |                    |
|--|------------------------------|--------------------|
|  | 2018                         | 2017               |
| <b>Net loss (GAAP)</b>                         | <b>\$ (51,450)</b>           | <b>\$ (40,792)</b> |
| Income tax provision                           | 1,415                        | 866                |
| Interest expense, net                          | 2,905                        | 154                |
| Depreciation                                   | 4,563                        | 6,129              |
| Amortization of intangible assets              | 8,544                        | 8,735              |
| EBITDA   | (34,023)                     | (24,908)           |
| <b>Adjustments:</b>                            |                              |                    |
| Stock-based compensation                       | 1,881                        | 3,820              |
| Investigation and audit related <sup>(1)</sup> | 31,867                       | 17,678             |
| Settlement of litigation, net                  | —                            | 1,533              |
| Restructuring costs                            | 1,257                        | —                  |
| Other income, net <sup>(2)</sup>               | 2,629                        | 13                 |
| Adjusted EBITDA                                | \$ 3,611                     | \$ (1,864)         |

<sup>(1)</sup> Amounts represent charges for matters relating to the Audit Committee investigation described in our Annual Report on Form 10-K for the year ended December 31, 2017, including litigation and investigation-related costs, costs associated with tax projects, audits and other professional, consulting or other fees.

<sup>(2)</sup> In 2018, adjustments to other income, net, reflect non-cash changes in the fair value of financing derivatives and equity securities investment included in other income, net on our Condensed Consolidated Statements of Operations and Comprehensive Loss. These financial instruments were not held in the prior period. The prior period adjustment to other income, net reflects items classified as non-operating other income, net on our Condensed Consolidated Statements of Operations and Comprehensive Loss, excluding the other income associated with the transition services agreement for the DAX disposition. Our change to exclude non-operating other income, net from our calculation of Adjusted EBITDA for 2018 is intended to conform Adjusted EBITDA to the Consolidated EBITDA definition within our senior secured convertible notes.

The following table presents a reconciliation of non-GAAP net loss to net loss (GAAP) for each of the periods identified:

| <i>(In thousands)</i>                          | Three Months Ended March 31, |                    |
|--|------------------------------|--------------------|
|  | 2018                         | 2017               |
| <b>Net loss (GAAP)</b>                         | <b>\$ (51,450)</b>           | <b>\$ (40,792)</b> |
| <b>Adjustments:</b>                            |                              |                    |
| Stock-based compensation                       | 1,881                        | 3,820              |
| Investigation and audit related <sup>(1)</sup> | 31,867                       | 17,678             |
| Settlement of litigation, net                  | —                            | 1,533              |
| Restructuring costs                            | 1,257                        | —                  |
| Other income, net <sup>(2)</sup>               | 2,629                        | 13                 |
| Non-GAAP net loss                              | \$ (13,816)                  | \$ (17,748)        |

<sup>(1)</sup> Amounts represent charges for matters relating to the Audit Committee investigation described in our Annual Report on Form 10-K for the year ended December 31, 2017, including litigation and investigation-related costs, costs associated with tax projects, audits and other professional, consulting or other fees.

<sup>(2)</sup> In 2018, adjustments to other income, net, reflect non-cash changes in the fair value of financing derivatives and equity securities investment included in other income, net on our Condensed Consolidated Statements of Operations and Comprehensive Loss. These financial instruments were not held in the prior period. The prior period adjustment to other income, net reflects items classified as non-operating other income, net on our Condensed Consolidated Statements of Operations and Comprehensive Loss, excluding the other income associated with the transition services agreement for the DAX disposition. We have excluded non-operating other income, net from our calculation of non-GAAP net loss for 2018.

## Supplemental Non-GAAP Disclosure

The following table presents a reconciliation of certain non-GAAP expense line items (to be discussed on today's conference call) to the most directly comparable GAAP expense line items:

| <i>(In thousands)</i>      | Three Months Ended March 31, |                                   |                           |                      |                       |                                   |                           |                      |
|----------------------------|------------------------------|-----------------------------------|---------------------------|----------------------|-----------------------|-----------------------------------|---------------------------|----------------------|
|                            | 2018                         |                                   |                           |                      | 2017                  |                                   |                           |                      |
|                            | As reported<br>(GAAP)        | Less: stock-based<br>compensation | As adjusted<br>(non-GAAP) | % of GAAP<br>Revenue | As reported<br>(GAAP) | Less: stock-based<br>compensation | As adjusted<br>(non-GAAP) | % of GAAP<br>Revenue |
| Revenues                   | \$ 105,919                   |                                   |                           | 100.00%              | \$ 100,861            |                                   |                           | 100.00%              |
| Cost of revenues           | 47,254                       | (213)                             | 47,041                    | 44.41%               | 47,313                | (629)                             | 46,684                    | 46.29%               |
| Selling and marketing      | 25,905                       | (575)                             | 25,330                    | 23.91%               | 29,733                | (1,446)                           | 28,287                    | 28.05%               |
| Research and development   | 18,716                       | (344)                             | 18,372                    | 17.35%               | 21,020                | (821)                             | 20,199                    | 20.03%               |
| General and administrative | 18,661                       | (749)                             | 17,912                    | 16.91%               | 17,785                | (924)                             | 16,861                    | 16.72%               |