

ELLIE MAE INC
Form 10-Q
November 06, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2014

OR

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: 001-35140

ELLIE MAE, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

94-3288780

(I.R.S. Employer
Identification No.)

4155 Hopyard Road, Suite 200

Pleasanton, California

(Address of principal executive offices)

(925) 227-7000

(Registrant's telephone number, including area code)

94588

(Zip Code)

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 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 the definitions of "large accelerated filer," "accelerated filer" and "small reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if smaller reporting company) Smaller reporting company

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

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Indicate the number of shares outstanding of each of the registrant's classes of common stock as of the latest practicable date:

As of October 31, 2014:

Class	Number of Shares
Common Stock, \$0.0001 par value	28,744,899

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PART I—FINANCIAL INFORMATION

ITEM 1—CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Ellie Mae, Inc.

CONDENSED CONSOLIDATED BALANCE SHEETS

(UNAUDITED)

(in thousands, except share and per share amounts)

	September 30, 2014	December 31, 2013
Assets		
Current assets:		
Cash and cash equivalents	\$43,859	\$33,462
Short-term investments	42,093	46,325
Accounts receivable, net of allowances for doubtful accounts of \$80 and \$81 as of September 30, 2014 and December 31, 2013, respectively	17,868	12,024
Prepaid expenses and other current assets	5,681	6,473
Total current assets	109,501	98,284
Property and equipment, net	23,122	12,751
Long-term investments	66,239	56,285
Other intangible assets, net	7,126	5,089
Goodwill	52,460	51,051
Deposits and other assets	5,878	5,112
Total assets	\$264,326	\$228,572
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$4,734	\$3,783
Accrued and other current liabilities	12,253	10,224
Acquisition holdback, net of discount	521	1,965
Deferred revenue	4,690	4,752
Total current liabilities	22,198	20,724
Leases payable, net of current portion	521	175
Other long-term liabilities	1,714	777
Total liabilities	24,433	21,676
Commitments and contingencies (Note 8)		
Stockholders' equity:		
Common stock, \$0.0001 par value per share; 140,000,000 authorized shares, 28,589,869 and 27,624,025 shares issued and outstanding as of September 30, 2014 and December 31, 2013, respectively		3
Additional paid-in capital	235,850	212,043
Accumulated other comprehensive loss	(37) (34
Retained earnings (accumulated deficit)	4,077	(5,116
Total stockholders' equity	239,893	206,896
Total liabilities and stockholders' equity	\$264,326	\$228,572

See accompanying notes to these condensed consolidated financial statements (unaudited).

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Ellie Mae, Inc.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(UNAUDITED)

(in thousands, except share and per share amounts)

	Three Months ended		Nine Months ended	
	September 30,		September 30,	
	2014	2013	2014	2013
Revenues	\$42,798	\$33,006	\$114,960	\$98,131
Cost of revenues	11,669	8,332	31,445	24,550
Gross profit	31,129	24,674	83,515	73,581
Operating expenses:				
Sales and marketing	6,521	5,163	19,067	15,233
Research and development	6,456	6,573	19,348	18,651
General and administrative	9,556	7,547	28,100	23,108
Total operating expenses	22,533	19,283	66,515	56,992
Income from operations	8,596	5,391	17,000	16,589
Other income, net	134	83	343	355
Income before income taxes	8,730	5,474	17,343	16,944
Income tax provision	4,675	2,114	8,150	5,986
Net income	\$4,055	\$3,360	\$9,193	\$10,958
Net income per share of common stock:				
Basic	\$0.14	\$0.13	\$0.33	