

ELLIE MAE INC
Form 10-Q
May 08, 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 March 31, 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 ☐ o (Do not check if smaller reporting company) Smaller reporting company ☐

Non-accelerated filer ☐ o (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 May 5, 2014:

Class	Number of Shares
Common Stock, \$0.0001 par value	28,113,434

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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)

	March 31, 2014	December 31, 2013
Assets		
Current assets:		
Cash and cash equivalents	\$26,423	\$33,462
Short-term investments	48,833	46,325
Accounts receivable, net of allowances for doubtful accounts of \$143 and \$81 as of March 31, 2014 and December 31, 2013, respectively	13,707	12,024
Prepaid expenses and other current assets	6,841	6,473
Total current assets	95,804	98,284
Property and equipment, net	15,545	12,751
Long-term investments	58,018	56,285
Other intangible assets, net	8,196	5,089
Goodwill	52,460	51,051
Deposits and other assets	5,037	5,112
Total assets	\$235,060	\$228,572
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$3,405	\$3,783
Accrued and other current liabilities	9,206	10,224
Acquisition holdback, net of discount	1,979	1,965
Deferred revenue	4,732	4,752
Total current liabilities	19,322	20,724
Leases payable, net of current portion	518	175
Other long-term liabilities	1,234	777
Total liabilities	21,074	21,676
Commitments and contingencies (Note 8)		
Stockholders' equity:		
Common stock, \$0.0001 par value per share; 140,000,000 authorized shares, 27,946,818 and 27,624,025 shares issued and outstanding as of March 31, 2014 and December 31, 2013, respectively		3
Additional paid-in capital	218,354	212,043
Accumulated other comprehensive loss	(37)	(34)
Accumulated deficit	(4,334)	(5,116)
Total stockholders' equity	213,986	206,896
Total liabilities and stockholders' equity	\$235,060	\$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 March 31,	
	2014	2013
Revenues	\$32,178	\$30,855
Cost of revenues	9,200	7,611
Gross profit	22,978	23,244
Operating expenses:		
Sales and marketing	6,095	4,903
Research and development	6,815	5,548
General and administrative	8,993	7,586
Total operating expenses	21,903	18,037
Income from operations	1,075	5,207
Other income, net	100	121
Income before income taxes	1,175	5,328
Income tax provision	393	1,415
Net income	\$782	\$3,913
Net income per share of common stock:		
Basic	\$0.03	\$0.15
Diluted	\$0.03	\$0.14
Weighted average common shares used in computing net income per share of common stock:		
Basic	27,339,394	26,166,290
Diluted	29,070,130	27,962,156
Net income	\$782	\$3,913
Other comprehensive income, net of taxes:		
Unrealized loss on investments	(3) (95
Comprehensive income	\$779	\$3,818

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

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Ellie Mae, Inc.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

(in thousands)

	Three Months ended March 31,	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$782	\$3,913
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,157	1,095