

ELLIE MAE INC  
Form 10-Q  
November 07, 2013  
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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, 2013

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

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, 2013:

Class	Number of Shares
Common Stock, \$0.0001 par value	27,496,655

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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, 2013	December 31, 2012
Assets		
Current assets		
Cash and cash equivalents	\$21,651	\$44,114
Short-term investments	43,480	16,243
Accounts receivable, net of allowances for doubtful accounts of \$133 and \$74 as of September 30, 2013 and December 31, 2012, respectively	11,277	9,753
Prepaid expenses and other current assets	7,635	2,956
Deferred tax assets	652	645
Note receivable	1,000	1,000
Total current assets	85,695	74,711
Property and equipment, net	12,621	9,494
Long-term investments	61,598	43,728
Other intangible assets, net	5,450	6,531
Goodwill	51,051	51,051
Deposits and other assets	2,019	100
Total assets	\$218,434	\$185,615
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$1,664	\$2,039
Accrued and other current liabilities	9,461	6,044
Acquisition holdback, net of discount	1,952	2,948
Deferred revenue	4,157	4,896
Total current liabilities	17,234	15,927
Acquisition holdback, net of current portion and discount	—	1,911
Other long-term liabilities	955	915
Total liabilities	18,189	18,753
Commitments and contingencies (Note 7)		
Stockholders' equity:		
Common stock, \$0.0001 par value per share; 140,000,000 authorized shares, 27,463,969 and 26,058,533 shares issued and outstanding as of September 30, 2013 and December 31, 2012, respectively		3
Additional paid-in capital	207,028	184,616
Accumulated other comprehensive loss	(52	) (65
Accumulated deficit	(6,734	) (17,692
Total stockholders' equity	200,245	166,862
Total liabilities and stockholders' equity	\$218,434	\$185,615
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 September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
Revenues	\$33,006	\$27,456	\$98,131	\$71,931
Cost of revenues	8,332	6,049	24,550	16,589
Gross profit	24,674	21,407	73,581	55,342
Operating expenses:				
Sales and marketing	5,163	4,347	15,233	12,579
Research and development	6,573	4,756	18,651	13,188
General and administrative	7,547	6,023	23,108	14,195
Total operating expenses	19,283	15,126	56,992	39,962
Income from operations	5,391	6,281	16,589	15,380
Other income (expense), net	83	23	355	(15 )
Income before income taxes	5,474	6,304	16,944	15,365
Income tax provision (benefit)	2,114	(525 )	5,986	(105 )
Net income	\$3,360	\$6,829	\$10,958	\$15,470
Net income per share of common stock:				