

Palo Alto Networks Inc
Form 10-Q/A
March 05, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q/A
Amendment No. 1

(Mark One)

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

For the quarterly period ended January 31, 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 001-35594

Palo Alto Networks, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)
3300 Olcott Street
Santa Clara, California 95054
(Address of principal executive office, including zip code)
(408) 753-4000
(Registrant's telephone number, including area code)

20-2530195
(I.R.S. Employer Identification No.)

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 "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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

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

The number of shares outstanding of the registrant's common stock as of February 28, 2013 was 69,131,653.

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EXPLANATORY NOTE

Palo Alto Networks, Inc. (the "Company") is filing this Amendment No. 1 on Form 10-Q/A ("Amendment No. 1") to the Company's Quarterly Report on Form 10-Q for the quarter ended January 31, 2013, as filed with the Securities and Exchange Commission on March 4, 2013 (the "Quarterly Report"), for the sole purpose of correcting a typographical error on the date indicated on Exhibit 32.1 and Exhibit 32.2, Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

In accordance with Rule 12b-15 under the Securities Exchange Act of 1934, this Amendment No. 1 also includes currently dated certifications from the Company's Chief Executive Officer and Chief Financial Officer as required by Sections 302 and 906 of the Sarbanes-Oxley Act of 2002. The certification exhibits have been revised accordingly.

This Amendment No. 1 is not intended to, nor does it, reflect events occurring after the filing of the Quarterly Report, and does not modify or update the disclosures therein in any way other than as required to reflect the change described above.

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PART I

ITEM 1. FINANCIAL STATEMENTS

PALO ALTO NETWORKS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited, in thousands, except per share data)

	January 31, 2013	July 31, 2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 187,924	\$ 322,642
Short-term investments	149,520	—
Accounts receivable, net of allowance for doubtful accounts of \$157 and \$164 at January 31, 2013 and July 31, 2012, respectively	68,586	45,642
Prepaid expenses and other current assets	20,644	13,373
Total current assets	426,674	381,657
Property and equipment, net	25,980	20,979
Long-term investments	30,871	—
Other assets	6,624	5,168
Total assets	\$ 490,149	\$ 407,804
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 10,769	\$ 9,214
Accrued liabilities	16,567	15,189
Accrued compensation	24,223	11,307
Deferred revenue	117,437	86,296
Total current liabilities	168,996	122,006
Deferred revenue—non-current	70,746	49,512
Other long-term liabilities	6,887	7,215
Commitments and contingencies (Note 5)		
Stockholders' equity:		
Preferred stock; \$0.0001 par value; 100,000 shares authorized; none issued and outstanding at January 31, 2013 and July 31, 2012	—	—
Common stock, \$0.0001 par value; 1,000,000 shares authorized; 68,896 and 67,852 shares issued and outstanding at January 31, 2013 and July 31, 2012, respectively	7	7
Additional paid-in capital	329,680	309,092
Accumulated other comprehensive loss	(11) —
Accumulated deficit	(86,156) (80,028
Total stockholders' equity	243,520	229,071
Total liabilities and stockholders' equity	\$ 490,149	\$ 407,804

See notes to condensed consolidated financial statements.

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PALO ALTO NETWORKS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited, in thousands, except per share data)

	Three Months Ended January 31,		Six Months Ended January 31,	
	2013	2012	2013	2012
Revenue:				
Product	\$61,944	\$38,638	\$117,458	\$81,499
Services	34,555	18,045	64,975	32,297
Total revenue	96,499	56,683	182,433	113,796
Cost of revenue:				
Product	16,636	10,248	31,052	20,558
Services	10,982	5,265	20,756	9,795
Total cost of revenue	27,618	15,513	51,808	30,353
Total gross profit	68,881	41,170	130,625	83,443
Operating expenses:				
Research and development	15,495	8,514	28,807	16,362
Sales and marketing	45,796	25,612	88,403	47,980
General and administrative	9,747	5,768	18,703	10,925
Total operating expenses	71,038	39,894	135,913	75,267
Operating income (loss)	(2,157) 1,276	(5,288) 8,176
Interest income	116	2	214	4
Other expense, net	(60) (566		