

ELLIE MAE INC
Form 10-Q
May 07, 2015
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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, 2015

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.)

4420 Rosewood Drive, Suite 500

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 May 5, 2015:

Class	Number of Shares
Common Stock, \$0.0001 par value	29,405,140

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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, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$25,353	\$26,756
Short-term investments	48,724	49,352
Accounts receivable, net of allowances for doubtful accounts of \$102 and \$66 as of March 31, 2015 and December 31, 2014, respectively	25,553	20,403
Prepaid expenses and other current assets	13,014	16,021
Total current assets	112,644	112,532
Property and equipment, net	50,851	28,694
Long-term investments	59,354	58,679
Intangible assets, net	20,120	21,452
Goodwill	65,338	65,338
Deposits and other assets	3,425	3,425
Total assets	\$311,732	\$290,120
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$8,811	\$6,726
Accrued and other current liabilities	16,953	16,822
Acquisition holdback, net of discount	522	522
Deferred revenue	12,486	9,729
Total current liabilities	38,772	33,799
Leases payable, net of current portion	2,241	443
Other long-term liabilities	3,729	2,994
Total liabilities	44,742	37,236
Commitments and contingencies (Note 7)		
Stockholders' equity:		
Common stock, \$0.0001 par value per share; 140,000,000 authorized shares, 29,274,686 and 28,907,147 shares issued and outstanding as of March 31, 2015 and December 31, 2014, respectively		3
Additional paid-in capital	254,984	242,527
Accumulated other comprehensive income (loss)	76	(95
Retained earnings	11,927	10,449
Total stockholders' equity	266,990	252,884
Total liabilities and stockholders' equity	\$311,732	\$290,120

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,	
	2015	2014
Revenues	\$54,189	\$32,178
Cost of revenues	17,350	9,318
Gross profit	36,839	22,860
Operating expenses:		
Sales and marketing	9,760	6,095
Research and development	8,297	6,815
General and administrative	12,302	8,993
Total operating expenses	30,359	21,903
Income from operations	6,480	957
Other income, net	132	100
Income before income taxes	6,612	1,057
Income tax provision	3,028	275
Net income	\$3,584	\$782
Net income per share of common stock:		
Basic	\$0.12	\$0.03
Diluted	\$0.12	\$0.03
Weighted average common shares used in computing net income per share of common stock:		
Basic	28,768,144	27,339,394
Diluted	30,442,163	29,070,130
Net income	\$3,584	\$782
Other comprehensive income, net of taxes:		
Unrealized gain (loss) on investments		