

Edgar Filing: Enphase Energy, Inc. - Form 10-Q

Enphase Energy, Inc.
Form 10-Q
November 05, 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: 001-35480

Enphase Energy, Inc.
(Exact name of registrant as specified in its charter)

Delaware	20-4645388
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1420 N. McDowell Blvd.	94954
Petaluma, California	
(Address of principal executive offices)	(Zip Code)
(707) 774-7000	
(Registrant's telephone number, including area 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 "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
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Non-accelerated filer	<input type="checkbox"/>	(Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>
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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

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As of October 31, 2014, there were 43,624,571 shares of the registrant's common stock outstanding, \$0.00001 par value per share.

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ENPHASE ENERGY, INC.

FORM 10-Q FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2014

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

ENPHASE ENERGY, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except par value)

(Unaudited)

	September 30, 2014	December 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$44,537	\$38,190
Accounts receivable, net of allowances of \$2,241 and \$2,000 at September 30, 2014 and December 31, 2013, respectively	49,270	32,084
Inventory	15,488	16,580
Prepaid expenses and other	5,194	3,655
Total current assets	114,489	90,509
Property and equipment, net	28,825	24,853
Other assets	1,410	1,307
Total assets	\$144,724	\$116,669
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$21,992	\$7,363
Accrued liabilities	22,906	14,780
Deferred revenues	2,418	2,773
Warranty obligations, current portion (includes \$978 and \$0 measured at fair value at September 30, 2014 and December 31, 2013, respectively)	7,749	4,942
Term loans, current portion	2,888	3,507
Total current liabilities	57,953	33,365
Long-term liabilities:		
Deferred revenues, noncurrent	15,339	11,284
Warranty obligations, noncurrent (includes \$1,983 and \$0 measured at fair value at September 30, 2014 and December 31, 2013, respectively)	24,558	25,490
Other liabilities	1,439	1,154
Term loans, noncurrent	2,973	5,170
Total liabilities	102,262	76,463
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.00001 par value, 10,000 shares authorized; none issued and outstanding	—	—
Common stock, \$0.00001 par value, 100,000 shares authorized; 43,378 and 42,123 shares issued and outstanding at September 30, 2014 and December 31, 2013, respectively	—	—
Additional paid-in capital	203,911	192,916
Accumulated deficit	(161,393)	(152,939)
Accumulated other comprehensive (loss) income	(56)	229
Total stockholders' equity	42,462	40,206
Total liabilities and stockholders' equity	\$144,724	\$116,669

See notes to condensed consolidated financial statements.

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ENPHASE ENERGY, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Net revenues	\$99,113	\$62,046	\$238,697	\$165,790
Cost of revenues	66,592	44,611	160,689	119,870
Gross profit	32,521	17,435	78,008	45,920
Operating expenses:				
Research and development	12,112	8,293	32,346	25,803
Sales and marketing	9,884	8,550	29,205	22,765
General and administrative	8,632	5,937	22,837	17,899
Total operating expenses	30,628	22,780	84,388	66,467
Income (loss) from operations	1,893	(5,345)	) (6,380	) (20,547
Other income (expense), net:				
Interest expense	(356	) (437	) (1,291	) (1,385
Other expense, net	(597	) (378	) (432	) (724
Total other income (expense), net	(953	) (815	) (1,723	) (2,109