

ENVESTNET, INC.
Form 10-Q
November 09, 2015
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2015

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

Commission file number 001-34835

Envestnet, Inc.

(Exact name of registrant as specified in its charter)

Delaware 20-1409613
(State or other jurisdiction of (I.R.S Employer
incorporation or organization) Identification No.)

35 East Wacker Drive, Suite 2400, Chicago, IL 60601
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code:

(312) 827-2800

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 Smaller reporting company

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

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As of November 1, 2015, 35,880,687 shares of the common stock with a par value of \$0.005 per share were outstanding.

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Envestnet, Inc.

Condensed Consolidated Balance Sheets

(in thousands, except share information)

(unaudited)

	September 30, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 208,348	\$ 209,754
Fees and other receivables, net	25,467	20,345
Deferred tax assets, net	4,635	4,654
Prepaid expenses and other current assets	20,714	7,242
Total current assets	259,164	241,995
Property and equipment, net	18,461	16,629
Internally developed software, net	8,891	7,023
Intangible assets, net	65,199	58,654
Goodwill	134,814	104,976
Deferred tax assets, net	—	565
Other non-current assets	11,128	9,516
Total assets	\$ 497,657	\$ 439,358
Liabilities and Equity		
Current liabilities:		
Accrued expenses	\$ 53,224	\$ 48,247
Accounts payable	5,236	4,869
Contingent consideration	3,057	6,405
Deferred revenue	8,320	5,159
Total current liabilities	69,837	64,680
Convertible notes	148,877	145,203
Contingent consideration	2,957	7,462
Deferred revenue	13,107	6,954
Deferred rent	4,405	3,588
Lease incentive	5,379	5,550
Deferred tax liabilities, net	718	—
Other non-current liabilities	2,002	2,430