

ENVESTNET, INC.
Form 10-Q
August 09, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2013

o 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)

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Delaware
(State or other jurisdiction of
incorporation or organization)

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

20-1409613
(I.R.S Employer
Identification No.)

60601
(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

As of August 2, 2013, 33,407,311 shares of the common stock with a par value of \$0.005 per share were outstanding.

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Table of Contents**Envestnet, Inc.****Condensed Consolidated Balance Sheets****(In thousands, except share information)****(Unaudited)**

	June 30, 2013	December 31, 2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 39,679	\$ 29,983
Fees receivable	12,800	9,188
Deferred tax assets, net	2,833	2,089
Prepaid expenses and other current assets	4,220	2,501
Total current assets	59,532	43,761
Property and equipment, net	11,211	11,791
Internally developed software, net	4,998	4,324
Intangible assets, net	23,998	27,150
Goodwill	65,644	65,644
Deferred tax assets, net	6,544	6,194
Other non-current assets	4,103	3,535
Total assets	\$ 176,030	\$ 162,399
Liabilities and Stockholders Equity		
Current liabilities:		
Accrued expenses	\$ 23,691	\$ 20,201
Accounts payable	4,103	2,614
Deferred revenue	5,848	5,768
Total current liabilities	33,642	28,583
Deferred rent liability	2,414	2,195
Lease incentive liability	3,619	3,886
Other non-current liabilities	1,748	1,739
Total liabilities	41,423	36,403
Commitments and contingencies		
Stockholders equity		
Preferred stock		
Common stock, par value \$0.005, 500,000,000 shares authorized; 45,147,083 and 44,071,564 shares issued as of June 30, 2013 and December 31, 2012, respectively; 33,395,377 and 32,355,675 shares outstanding as of June 30, 2013 and December 31, 2012, respectively	226	220
Additional paid-in capital	181,143	173,611
Accumulated deficit	(35,618)	(37,277)
Treasury stock at cost, 11,751,706 and 11,715,889 shares as of June 30, 2013 and December 31, 2012, respectively	(11,144)	(10,558)
Total stockholders equity	134,607	125,996
Total liabilities and stockholders equity	\$ 176,030	\$ 162,399

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See accompanying notes to unaudited Condensed Consolidated Financial Statements.

Table of Contents**Investnet, Inc.****Condensed Consolidated Statements of Operations****(In thousands, except share and per share information)****(Unaudited)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Revenues:				
Assets under management or administration	\$ 41,234	\$ 31,012	\$ 77,570	\$ 59,275
Licensing and professional services	10,398	6,950	20,687	11,329
Total revenues	51,632	37,962	98,257	70,604
Operating expenses:				
Cost of revenues	19,638	13,549	36,446	25,075
Compensation and benefits	17,194	14,085	34,412	24,770
General and administration	9,962			