

CVENT INC  
Form 10-Q  
May 05, 2016  
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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, 2016

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: 001-36043

Cvent, Inc.

(Exact name of registrant as specified in its charter)

Delaware 54-1954458  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification Number)  
1765 Greensboro Station Place, 7th Floor 22102  
Tysons Corner, VA  
(Address of principal executive offices) (Zip Code)  
(703) 226-3500  
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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.

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



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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: As of May 2, 2016, there were 42,197,390 shares of the registrant's common stock outstanding.

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CVENT, INC.

QUARTERLY REPORT ON FORM 10-Q

FOR THE QUARTER ENDED MARCH 31, 2016

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CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, including the sections entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Quantitative and Qualitative Disclosure About Market Risk” under Items 2 and 3, respectively, of Part I of this report, and the sections entitled “Legal Proceedings,” “Risk Factors,” and “Unregistered Sales of Equity Securities and Use of Proceeds” under Items 1, 1A and 2, respectively, of Part II of this report, contains forward-looking statements. These statements may relate to, but are not limited to, expectations of future operating results or financial performance, macroeconomic trends that we expect may influence our business, plans for capital expenditures, expectations regarding the adoption of our cloud-based solutions and introduction of new products, regulatory compliance and changes in the regulatory landscape affecting our business, impact of litigation, plans for growth and future operations, effects of acquisitions, expectations and uncertainties regarding the pending acquisition of Cvent, effects of material weaknesses in the design and operating effectiveness of our internal control over financial reporting and ineffective disclosure controls and procedures, as well as assumptions relating to the foregoing. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. These risks and other factors include, but are not limited to, those listed or incorporated by reference under the section entitled “Risk Factors” in Item 1A of Part II of this Quarterly Report on Form 10-Q. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “could,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “intend,” “potential,” “continue,” “seek” or the negative of these terms or other comparable terminology. These statements are only predictions. Actual events and/or results may differ materially. We believe that it is important to communicate our future expectations. However, there may be events in the future that we are not able to accurately predict or control and that may cause our actual results to differ materially from the expectations we describe in our forward-looking statements. Except as required by applicable law, including the securities laws of the United States and the rules and regulations of the Securities and Exchange Commission, we do not plan to publicly update or revise any forward-looking statements, whether as a result of any new information, future events or otherwise. You should not place undue reliance on our forward-looking statements. You should be aware that the occurrence of any of the events described in the “Risk Factors” section and elsewhere in this Quarterly Report on Form 10-Q or in the Annual Report on Form 10-K, filed on March 1, 2016 and amended April 29, 2016, could harm our business, prospects, operating results and financial condition. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements.

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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

Cvent, Inc.

Consolidated Balance Sheets

(in thousands, except share data)

	March 31, 2016	December 31, 2015
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 157,834	\$ 118,662
Restricted cash	—	378
Short-term investments	19,284	26,799
Accounts receivable, net of reserve of \$359 and \$248, respectively	26,622	30,483
Prepaid expense and other current assets	13,756	17,175
Total current assets	217,496	193,497
Property and equipment, net	24,015	24,416
Capitalized software development costs, net	25,532	24,039
Intangible assets, net	15,999	17,055
Goodwill	38,900	38,940
Other assets, non-current, net	4,788	3,653
Total assets	\$ 326,730	\$ 301,600
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 3,250	\$ 1,692
Accrued expenses and other current liabilities	28,820	29,241
Deferred revenue	98,258	77,524
Total current liabilities	130,328	108,457
Deferred tax liabilities, non-current	2,393	2,347
Deferred rent, non-current	11,349	11,527
Other liabilities, non-current	5,590	4,988
Total liabilities	149,660	127,319
Commitments and contingencies (Note 8)		
Stockholders' equity		
Preferred stock, \$0.001 par value, 100,000,000 shares authorized at March 31, 2016 and December 31, 2015; zero issued and outstanding at March 31, 2016 and December 31, 2015	—	—
Common stock, \$0.001 par value; 1,000,000,000 shares authorized at March 31, 2016 and December 31, 2015; 42,705,999 and 42,523,229 shares issued and 42,185,785 and 42,003,015 43		43
outstanding at March 31, 2016 and December 31, 2015, respectively		
Treasury stock	(3,966 )	(3,966 )
Additional paid-in capital, as adjusted (2015) (note 7)	224,008	219,914
Accumulated other comprehensive loss	(381 )	(274 )
Accumulated deficit, as adjusted (2015) (note 7)	(42,634 )	(41,436 )
Total stockholders' equity	177,070	174,281
Total liabilities and stockholders' equity	\$ 326,730	\$ 301,600
See accompanying notes to the consolidated financial statements		



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Cvent, Inc.

Consolidated Statements of Operations and Comprehensive Loss

(in thousands, except share and per share data)

(unaudited)

	Three Months Ended March 31,	
	2016	2015
Revenue	\$52,318	\$41,106
Cost of revenue <sup>1</sup>	14,606	14,602
Gross profit	37,712	26,504
Operating expenses:		
Sales and marketing <sup>1</sup>	18,771	17,740
Research and development <sup>1</sup>	10,364	5,035
General and administrative <sup>1</sup>	9,068	7,967
Intangible asset amortization, excluding cost of revenue	737	293
Gain from foreign currency transactions	(214 )	(186 )
Total operating expenses	38,726	30,849
Loss from operations	(1,014 )	(4,345 )
Interest income	552	544
Other expense	—	(426 )
Loss before income taxes	(462 )	(4,227 )
Provision for (benefit from) income taxes	736	(1,875 )
Net loss	\$(1,198 )	\$(2,352 )
Net loss per common share:		
Basic	\$(0.03 )	\$(0.06 )
Diluted	\$(0.03 )	\$(0.06 )
Weighted average common shares outstanding—basic	42,061,527	