

IMPERVA INC
Form 10-Q
May 09, 2016

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 001-35338

Imperva, Inc.

(Exact name of the Registrant as Specified in its Charter)

Delaware 03-0460133
(State or Other Jurisdiction of (I.R.S. Employer

Incorporation or Organization) Identification No.)

3400 Bridge Parkway

Redwood Shores, California 94065

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(Address of Principal Executive Offices, including Zip Code)

(650) 345-9000

(Registrant's Telephone Number, including Area Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Sections 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 (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

Shares of Imperva, Inc. common stock, \$0.0001 par value per share, outstanding as of May 2, 2016: 32,261,081 shares.

IMPERVA, INC.

FORM 10-Q

Quarterly Period Ended March 31, 2016

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

IMPERVA, INC. AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

(In thousands, except share and per share data)

	March 31,	December 31,
	2016	2015
	Unaudited	*
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 158,691	\$ 168,252
Short-term investments	100,054	96,555
Restricted cash	69	79
Accounts receivable, net of allowance of \$1,595 and \$ 1,438 as of March 31, 2016 and December 31, 2015, respectively	43,570	61,051
Inventory	860	815
Prepaid expenses and other current assets	9,476	7,965
Total current assets	312,720	334,717
Property and equipment, net	17,486	12,164
Goodwill	34,972	34,972
Acquired intangible assets, net	7,639	7,991
Severance pay fund	4,789	4,530
Restricted cash	1,665	1,665
Deferred tax assets	683	588
Other assets	1,157	1,042
TOTAL ASSETS	\$ 381,111	\$ 397,669
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 7,772	\$ 6,870
Accrued compensation and benefits	17,195	20,259
Accrued and other current liabilities	6,462	14,283
Deferred revenue	82,119	79,132
Total current liabilities	113,548	120,544
Other liabilities	5,005	4,515
Deferred revenue	25,936	27,525
Accrued severance pay	5,454	4,884
TOTAL LIABILITIES	149,943	157,468
Commitments and Contingencies (Note 7)		
STOCKHOLDERS' EQUITY:		
Preferred stock, \$0.0001 par value - 5,000,000 shares authorized, no shares issued and outstanding as of March 31, 2016 and December 31, 2015, respectively	—	—
Common stock, \$0.0001 par value - 145,000,000 shares authorized, 32,259,601	3	3

and 31,837,144 shares issued and outstanding as of March 31, 2016

and December 31, 2015, respectively

Additional paid-in capital	461,958	448,069
Accumulated deficit	(230,547)	(206,540)
Accumulated other comprehensive loss	(246)	(1,331)
TOTAL STOCKHOLDERS' EQUITY	231,168	240,201
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$381,111	\$ 397,669

The accompanying notes are an integral part of these consolidated financial statements.

*The Condensed Consolidated Balance Sheet as of December 31, 2015 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

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IMPERVA, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Operations

(In thousands, except per share data)

(Unaudited)

	Three months ended	
	March 31,	
	2016	2015
Net revenue:		
Products and license	\$20,841	\$17,104
Services	38,932	27,653
Total net revenue	59,773	44,757
Cost of revenue:		
Products and license	2,184	1,998
Services	10,784	8,332
Total cost of revenue	12,968	10,330
Gross profit	46,805	34,427
Operating expenses:		
Research and development	16,019	12,678
Sales and marketing	40,740	31,253
General and administrative	13,886	9,743
Amortization of acquired intangible assets	352	352
Total operating expenses	70,997	54,026
Loss from operations	(24,192)	(19,599)
Other income (expense), net	83	(80)
Loss before (benefit) provision for income taxes	(24,109)	(19,679)
(Benefit) provision for income taxes		