

ENVIVIO INC  
Form 10-Q  
June 11, 2012  
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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 April 30, 2012
  
- Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**  
Commission File No. 001-35205

**ENVIVIO, INC.**

(Exact name of registrant as specified in its charter)

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<b>Delaware</b> (State or other jurisdiction of incorporation or organization)	<b>3663</b> (Primary Standard Industrial Classification Code Number) <b>400 Oyster Point Boulevard, Suite 325</b> <b>South San Francisco, California 94080</b>  <b>(650) 243-2700</b>	<b>94-3353255</b> (I.R.S. Employer Identification Number)
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(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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 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

The number of shares of the registrant's Common Stock, \$.001 par value, outstanding on June 1, 2012 was 26,912,728.

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**Table of Contents****PART I****FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****ENVIVIO, INC. AND SUBSIDIARIES****Condensed Consolidated Balance Sheets****(UNAUDITED)**

	<b>January 31, 2012</b>	<b>April 30, 2012</b>
	(in thousands)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 27,405	\$ 72,016
Short-term investments		3,284
Accounts receivable, net of allowance for doubtful accounts	8,499	9,516
Inventory	108	80
Prepaid expenses and other current assets	2,456	2,674
Deferred inventory costs, current portion	1,547	330
<b>Total current assets</b>	<b>40,015</b>	<b>87,900</b>
Property and equipment, net	3,016	3,456
Deferred inventory costs, net of current portion	100	66
Other assets	1,447	510
<b>Total assets</b>	<b>\$ 44,578</b>	<b>\$ 91,932</b>
<b>LIABILITIES, CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS EQUITY (DEFICIT)</b>		
Current liabilities:		
Accounts payable	\$ 7,035	\$ 10,662
Accrued compensation	4,615	3,520
Accrued liabilities	929	1,419
Deferred revenue, current portion	7,257	4,191
Line of credit	1,000	1,000
<b>Total current liabilities</b>	<b>20,836</b>	<b>20,792</b>
Deferred revenue, net of current portion	1,400	1,394
Warrant liability	103	
Other non-current liabilities	1,163	1,454
<b>Total liabilities</b>	<b>23,502</b>	<b>23,640</b>
Convertible preferred stock	47,764	
Stockholders' equity (deficit):		
Common stock	13	27
Additional paid-in capital	52,955	150,189
Accumulated other comprehensive loss	(825)	(856)
Accumulated deficit	(78,831)	(81,068)

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Total stockholders' equity (deficit)	(26,688)	68,292
Total liabilities and stockholders' equity (deficit)	\$ 44,578	\$ 91,932

See notes to consolidated financial statements

**Table of Contents****ENVIVIO, INC. AND SUBSIDIARIES****Condensed Consolidated Statements of Operations****(UNAUDITED)**

	<b>Three Months Ended April 30,</b> (in thousands, except for per share amounts)	
	2011	2012
Revenue	\$ 9,903	\$ 13,416
Cost of revenue	4,007	5,136
<b>Gross profit</b>	<b>5,896</b>	<b>8,280</b>
Operating expenses:		
Research and development	1,503	1,997
Sales and marketing	3,429	5,744
General and administrative	2,131	2,688
Total operating expenses	7,063	10,429
Loss from operations	(1,167)	(2,149)
Interest expense, net	(37)	(9)
Other income, net	91	27
Loss before provision for income taxes	(1,113)	(2,131)
Provision for income taxes	42	106
Net loss	\$ (1,155)	\$ (2,237)
Net loss per share of common stock, basic and diluted	\$ (0.09)	\$ (0.17)
Shares used in computing net loss per share of common stock, basic and diluted	13,515	13,322

See notes to consolidated financial statements.

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**ENVIVIO, INC. AND SUBSIDIARIES**

**Condensed Consolidated Statements of Comprehensive Loss**

**(UNAUDITED)**

	<b>Three Months Ended April 30,</b> (in thousands)	
	2011	2012
Net loss	\$ (1,155)	\$ (2,237)
Other comprehensive loss:		
Foreign currency translation adjustment	(37)	(31)
Other comprehensive loss	(37)	(31)
Comprehensive loss	\$ (1,192)	\$ (2,268)

See notes to consolidated financial statements.

**Table of Contents****ENVIVIO, INC. AND SUBSIDIARIES****Condensed Consolidated Statements of Cash Flows****(UNAUDITED)**

	<b>Three Months Ended April 30,</b>	
	<b>2011</b>	<b>2012</b>
	(in thousands)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (1,155)	\$ (2,237)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	315	560
Stock-based compensation	350	690
Bad debt expense		(6)
Fair value remeasurement of warrant liability	30	(18)
Forgiveness of note related to common stock purchase awards	70	
Changes in operating assets and liabilities:		
Accounts receivable	(1,562)	(1,011)
Inventory	(223)	28
Prepaid expenses and other assets	(685)	(595)
Deferred inventory costs	982	1,250
Accounts payable and accrued liabilities	(1,700)	(1,052)
Deferred revenue	260	(3,072)
Other non-current liabilities		287
<b>Net cash used in operating activities</b>	<b>(3,318)</b>	<b>(5,176)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of short-term investments		(3,284)
Capital expenditures	(821)	(991)
<b>Net cash used in investing activities</b>	<b>(821)</b>	<b>(4,275)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from notes payable and related warrants	1,000	
Proceeds from initial public offering, net of offering costs paid		54,012
Offering costs related to Series I convertible preferred stock		(3)
Proceeds from exercise of stock options	627	78
<b>Net cash provided by financing activities</b>	<b>1,627</b>	<b>54,087</b>
Effect of exchange rate changes on cash and cash equivalents	(16)	(25)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(2,528)</b>	<b>44,611</b>
CASH AND CASH EQUIVALENTS Beginning of period	10,017	27,405
<b>CASH AND CASH EQUIVALENTS End of period</b>	<b>\$ 7,489</b>	<b>\$ 72,016</b>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>		
Cash paid for interest	\$ 36	\$ 27
Cash paid for income taxes	\$ 9	\$ 115



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### NON-CASH INVESTING AND FINANCING ACTIVITIES:

Offering costs not paid during quarter	5,377
Reclassification of warrant liability to stockholders' equity	84
Conversion of convertible preferred stock to common stock upon initial public offering	47,769
Amortization of issuance costs related to Series I redeemable convertible preferred stock	8

See notes to consolidated financial statements.

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**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**