

FireEye, Inc.
Form 10-Q
November 02, 2018

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 September 30, 2018

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 001-36067

FireEye, Inc.
(Exact name of registrant as specified in its charter)

Delaware 20-1548921
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification Number)

601 McCarthy Blvd.
Milpitas, CA 95035
(408) 321-6300
(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 every Interactive Data File required to be submitted 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 such files). Yes No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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 outstanding as of October 31, 2018 was 197,014,986.

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

FIREEYE, INC.

Condensed Consolidated Balance Sheets

(In thousands, except per share data)

(Unaudited)

	September 30, 2018	December 31, 2017*
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 397,297	\$ 180,891
Short-term investments	691,004	715,911
Accounts receivable, net of allowance for doubtful accounts of \$3,042 and \$2,503 at September 30, 2018 and December 31, 2017, respectively	129,163	146,317
Inventories	6,067	5,746
Prepaid expenses and other current assets	97,546	93,799
Total current assets	1,321,077	1,142,664
Property and equipment, net	86,251	71,357
Goodwill	999,888	984,661
Intangible assets, net	155,583	187,388
Deposits and other long-term assets	74,116	72,767
TOTAL ASSETS	\$ 2,636,915	\$ 2,458,837
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 31,938	\$ 35,684
Accrued and other current liabilities	27,982	19,569
Accrued compensation	63,951	59,588
Deferred revenue, current portion	528,752	546,615
Total current liabilities	652,623	661,456
Convertible senior notes, net	950,942	779,578
Deferred revenue, non-current portion	358,403	363,485
Other long-term liabilities	24,085	22,102
Total liabilities	1,986,053	1,826,621
Commitments and contingencies (NOTE 10)		
Stockholders' equity:		
Common stock, par value of \$0.0001 per share; 1,000,000 shares authorized, 196,934 shares and 187,105 shares issued and outstanding as of September 30, 2018 and December 31, 2017, respectively		19
Additional paid-in capital	3,104,476	2,891,441
Treasury stock, at cost; 3,333 shares as of September 30, 2018 and December 31, 2017	(150,000)	(150,000)
Accumulated other comprehensive loss	(2,545)	(2,881)
Accumulated deficit	(2,301,089)	(2,106,363)
Total stockholders' equity	650,862	632,216
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 2,636,915	\$ 2,458,837

* Certain prior period amounts have been adjusted as a result of adoption of the new revenue recognition standard.

See accompanying notes to condensed consolidated financial statements.

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FIREEYE, INC.

Condensed Consolidated Statements of Operations

(In thousands, except per share data)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017*	2018	2017*
Revenue:				
Product, subscription and support	\$ 175,653	\$ 163,174	\$ 508,555	\$ 475,000
Professional services	35,998	34,192	104,862	98,847
Total revenue	211,651	197,366	613,417	573,847
Cost of revenue:				
Product, subscription and support	46,752	48,438	140,317	142,497
Professional services	20,682	20,628	62,328	60,110
Total cost of revenue	67,434			