

eHealth, Inc.
Form 10-Q
November 08, 2016
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

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

For the quarterly period ended September 30, 2016

OR

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

For the transition period from _____ to _____
001-33071
(Commission File Number)

EHEALTH, INC.
(Exact name of registrant as specified in its charter)

Delaware 56-2357876
(State or other jurisdiction of (I.R.S Employer
incorporation or organization) Identification No)
440 EAST MIDDLEFIELD ROAD
MOUNTAIN VIEW, CALIFORNIA 94043
(Address of principal executive offices)

(650) 584-2700
(Registrant's telephone number, including area code)
Not Applicable
(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 Regulations 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 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

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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, par value \$0.001 per share, outstanding as of October 31, 2016
was 18,341,531 shares.

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FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

EHEALTH, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	December 31, 2015	September 30, 2016
Assets	(Note 1)	(unaudited)
Current assets:		
Cash and cash equivalents	\$ 62,710	\$ 67,268
Accounts receivable	9,647	7,613
Prepaid expenses and other current assets	5,185	5,964
Total current assets	77,542	80,845
Property and equipment, net	7,364	6,104
Other assets	4,697	4,348
Intangible assets, net	9,620	8,840
Goodwill	14,096	14,096
Total assets	\$ 113,319	\$ 114,233
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 3,012	\$ 2,332
Accrued compensation and benefits	14,386	9,030
Accrued marketing expenses	10,698	1,656
Deferred revenue	392	1,416
Other current liabilities	3,448	3,922
Total current liabilities	31,936	18,356
Non-current liabilities	4,962	3,275
Stockholders' equity:		
Common stock	29	29
Additional paid-in capital	266,699	271,070
Treasury stock, at cost	(199,998)	(199,998)
Retained earnings	9,498	21,320
Accumulated other comprehensive income	193	181
Total stockholders' equity	76,421	92,602
Total liabilities and stockholders' equity	\$ 113,319	\$ 114,233

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

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EHEALTH, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(In thousands, except per share amounts, unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2016	2015	2016
Revenue				
Commission	\$34,942	\$29,941	\$130,157	\$133,977
Other	3,282	2,138	9,248	9,223
Total revenue	38,224	32,079	139,405	143,200
Operating costs and expenses:				
Cost of revenue	443	30	3,527	2,747
Marketing and advertising	9,349	10,206	44,086	44,024
Customer care and enrollment	9,462	11,259	28,981	31,869
Technology and content	8,036	8,257	27,400	25,053
General and administrative	7,749	9,122	23,237	28,066
Restructuring charge (benefit)	—	(139)	4,541	(297)
Amortization of intangible assets	260	260	893	780
Total operating costs and expenses	35,299	38,995	132,665	132,242
Income (loss) from operations	2,925	(6,916)	6,740	10,958
Other income (expense)	(27)	7	(50)	(25)
Income (loss) before benefit for income taxes	2,898	(6,909)	6,690	10,933
Benefit for income taxes	(737)	(1,173)	(613)	(889)
Net income (loss)	\$3,635	\$(5,736)	\$7,303	\$11,822