

eHealth, Inc.  
Form 10-Q  
August 08, 2014

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 June 30, 2014

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  
(State or other jurisdiction of  
incorporation or organization)  
440 EAST MIDDLEFIELD ROAD  
MOUNTAIN VIEW, CALIFORNIA 94043  
(Address of principal executive offices)

56-2357876  
(I.R.S Employer  
Identification No)

(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

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company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

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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The number of shares of the registrant's common stock, par value \$0.001 per share, outstanding as of August 1, 2014 was 17,767,133 shares.

EHEALTH, INC. FORM 10-Q

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FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

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

	December 31, 2013 (Note 1)	June 30, 2014 (unaudited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 107,055	\$ 70,382
Accounts receivable	4,586	6,863
Deferred income taxes	4,459	4,962
Prepaid expenses and other current assets	8,364	7,647
Total current assets	124,464	89,854
Property and equipment, net	10,283	10,594
Deferred income taxes	4,569	6,141
Other assets	5,518	5,195
Intangible assets, net	7,496	11,595
Goodwill	14,096	14,096
Total assets	\$ 166,426	\$ 137,475
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 4,381	\$ 4,153
Accrued compensation and benefits	10,291	7,235
Accrued marketing expenses	8,227	2,141
Deferred revenue	1,784	1,512
Other current liabilities	2,561	2,466
Total current liabilities	27,244	17,507
Non-current liabilities	6,165	5,873
Stockholders' equity:		
Common stock	28	29
Additional paid-in capital	252,361	260,207
Treasury stock, at cost	(149,998)	(178,254)
Retained earnings	30,466	31,936
Accumulated other comprehensive income	160	177
Total stockholders' equity	133,017	114,095
Total liabilities and stockholders' equity	\$ 166,426	\$ 137,475

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

(In thousands, except per share amounts, unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2014	2013	2014
Revenue				
Commission	\$34,942	\$38,526	\$73,193	\$84,103
Other	4,858	4,068	9,814	9,431
Total revenue	39,800	42,594	83,007	93,534
Operating costs and expenses:				
Cost of revenue	984	892	3,635	3,005
Marketing and advertising	13,761	9,609	28,596	32,718
Customer care and enrollment	7,812	8,984	14,978	18,697
Technology and content	7,727	9,550	14,468	20,017
General and administrative	7,132	6,857	14,651	15,151
Amortization of intangible assets	353	354	707	708
Total operating costs and expenses	37,769	36,246	77,035	90,296
Income from operations	2,031	6,348	5,972	3,238
Other expense, net	(21	) (29	) (46	) (68
Income before provision for income taxes	2,010	6,319	5,926	3,170
Provision for income taxes	864	3,296	2,419	1,700
Net income	\$1,146	\$3,023	\$3,507	\$1,470
Net income per share:				
Basic	\$0.06	\$0.16	\$0.18	\$0.08
Diluted				