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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

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**Date of Report (Date of earliest event reported): May 13, 2014**

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**FIVE9, INC.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-36383**  
(Commission  
File Number)

**94-3394123**  
(I.R.S. Employer  
Identification No.)

**Bishop Ranch 8**  
**4000 Executive Parkway, Suite 400**  
**San Ramon, California 94583**  
(Address of principal executive offices, Zip Code)

**Registrant's telephone number, including area code: (925) 201-2000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02 Results of Operations and Financial Condition.**

On May 13, 2014, Five9, Inc. (the “Company”) announced its financial results for the fiscal quarter ended March 31, 2014. The full text of the press release issued in connection with the announcement is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

*The information in Item 2.02 of this Current Report on Form 8-K (including Exhibit 99.1 furnished herewith) shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.*

**Item 9.01 Financial Statements and Exhibits.**

**(d) Exhibits.**

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release issued by the Company on May 13, 2014.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**FIVE9, INC.**

Date: May 13, 2014

By: /s/ Barry Zwarenstein  
Barry Zwarenstein  
Chief Financial Officer

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**EXHIBIT LIST**

**Exhibit  
No.**

**Description**

99.1 Press Release issued by the Company on May 13, 2014.



NEWS RELEASE

### Five9 Reports First Quarter 2014 Results

*Revenue Increased 27% Year-Over-Year*

SAN RAMON, CALIF. – May 13, 2014 – Five9, Inc. (NASDAQ: FIVN), a leading provider of cloud contact center software, today reported results for the first quarter ended March 31, 2014.

“We delivered strong first quarter results, growing revenue by 27%. Our robust performance was fueled by the growing demand for our integrated cloud-based software solutions. Increasingly, we are seeing customers shift from legacy on-premise solutions as they are drawn to the benefits of the cloud—the low up-front costs, ability to scale on-demand, rapid deployment and the ease of management and integration. We believe Five9 is well positioned to capitalize on these trends in a multi-billion dollar market opportunity.”

“Our recent IPO was a significant milestone for Five9 and provides us with increased market awareness and additional financial resources to pursue our growth strategy.”

— Mike Burkland, President and CEO, Five9

#### First Quarter 2014 Financial Results

- Total revenue for the first quarter of 2014 increased 27% to \$24.3 million compared to \$19.1 million for the first quarter of 2013.
- Annual dollar-based retention rate for the period ended March 31, 2014 was 100%.
- Adjusted EBITDA for the first quarter of 2014 was a loss of \$(6.5) million, compared to a loss of \$(5.5) million for the first quarter of 2013.
- GAAP gross margin was 45.8% in the first quarter of 2014 compared to 38.9% for the same period in 2013.
- Adjusted gross margin was 51.1% for the first quarter of 2014 compared to 43.5% for the same period in 2013.
- GAAP net loss for the first quarter of 2014 was \$(8.3) million, or \$(1.48) per share, compared to a GAAP net loss of \$(6.7) million, or \$(1.88) per share, for the first quarter of 2013. Included in first quarter 2014 GAAP net loss was a benefit of \$1.7 million, equivalent to \$0.31 per share, due to the re-valuation of preferred and common stock warrants relating to the pricing of the Company’s IPO.
- Non-GAAP net loss for the first quarter of 2014 was \$(8.7) million, or \$(1.55) per share, compared to a Non-GAAP net loss of \$(6.6) million, or \$(1.87) per share, for the first quarter of 2013.
- Per share amounts exclude the impact of our issuance of 11.5 million shares of our common stock and the conversion of 30.6 million shares of preferred stock into common stock as a result of our initial public offering on April 4, 2014.

A reconciliation of the non-GAAP financial measures to their related GAAP financial measures is set forth below.

### Recent Business Highlights

- Completed initial public offering and began trading on NASDAQ on April 4, 2014. Net proceeds from the IPO were approximately \$72.7 million, after underwriting discounts and estimated offering expenses.
- Continued strong momentum in adding new customers, with key enterprise wins in three particular vertical markets in the first quarter – Healthcare, Technology and Retail.
- Strengthened and expanded our partnerships with leading CRM vendors by providing valuable integrations to their offerings.
- Expanded our executive team with the addition of Scott Welch as EVP of Cloud Operations. Scott is a cloud technology veteran with 24 years of experience in software development, technology and operations.

### Business Outlook

- **For the second quarter of 2014, Five9 expects to report:**
  - Revenue in the range of \$24.4 to \$25.2 million
  - GAAP net loss in the range of \$(11.6) to \$(12.6) million
  - Non-GAAP net loss in the range of \$(9.8) to \$(10.8) million
- **For the full year 2014, Five9 expects to report:**
  - Revenue in the range of \$102.0 to \$106.0 million
  - GAAP net loss of \$(41.7) to \$(43.9) million
  - Non-GAAP net loss in the range of \$(36.8) to \$(38.8) million

### Conference Call Details

Five9 will discuss its first quarter 2014 results today, May 13, 2014, via teleconference at 4:30 p.m. Eastern Time. To access the call, please dial: 877-941-2068 or 480-629-9712. An audio replay of the call will be available through May 27, 2014 by dialing 800-406-7325 or 303-590-3030 and entering access code 4680481. A copy of this press release will be furnished to the Securities and Exchange Commission on a Current Report on Form 8-K and will be posted to our web site, prior to the conference call.

### **Non-GAAP Financial Measures**

In addition to disclosing financial measures prepared in accordance with U.S. generally accepted accounting principles (GAAP), this press release and the accompanying tables contain certain non-GAAP financial measures. Non-GAAP financial measures do not have any standardized meaning and are therefore unlikely to be comparable to similarly titled measures presented by other companies. Five9 considers these non-GAAP financial measures to be important because they provide useful measures of the operating performance of the company, exclusive of unusual events, as well as factors that do not directly affect what we consider to be our core operating performance. The company's management uses these measures to (i) illustrate underlying trends in the company's business that could otherwise be masked by the effect of income or expenses that are excluded from non-GAAP measures, and (ii) establish budgets and operational goals for managing the company's business and evaluating its performance. In addition, investors often use similar measures to evaluate the operating performance of a company. Non-GAAP financial measures are presented for supplemental informational purposes only for understanding the company's operating results. The non-GAAP financial measures should not be considered a substitute for financial information presented in accordance with GAAP. Please see the reconciliation of non-GAAP financial measures to the most directly comparable GAAP measure attached to this release.

### **Forward Looking Statements**

This news release contains certain forward-looking statements, including the statements in the quote from our Chief Executive Officer and statements set forth under the caption "Business Outlook," that are based on our current expectations and involve numerous risks and uncertainties that may cause these forward-looking statements to be inaccurate. Risks that may cause these forward-looking statements to be inaccurate include, among others: (i) our quarterly and annual results may fluctuate significantly, may not fully reflect the underlying performance of our business and may result in decreases in the price of our common stock; (ii) we may be unable to attract new clients or sell additional services and functionality to our existing clients; (iii) our recent rapid growth may not be indicative of our future growth and we may fail to manage our growth effectively; (iv) the markets in which we participate are highly competitive and we may be unable to compete effectively; (v) we may be unable to manage our technical operations infrastructure, which could cause our existing clients to experience service outages, cause our new clients to experience delays in the deployment of our solution and subject us to, among other things, claims for credits or damages; (vi) a decline in our dollar-based retention rate could cause our revenues, gross margins and net income to decrease and we may be required to spend more money to grow our client base to maintain our revenues; (vii) sales of our solutions to larger organizations may require longer sales and implementation cycles and we may be unable to offer the configuration and integration services or customized features and functions required by larger organizations, which could delay or prevent sales of our solution to them; (viii) downturns or upturns in new sales will not be immediately reflected in our operating results and may be difficult to discern; (ix) third-party telecommunications and internet service providers on which we rely may fail to

provide our clients and their customers with reliable telecommunication services and connectivity to our cloud contact center software; (x) we may be unable to achieve or sustain profitability; and (xi) the other risks detailed from time-to-time under the caption “Risk Factors” and elsewhere in our Securities and Exchange Commission filings and reports, including, but not limited to, our Registration Statement on Form S-1 and our most recent quarterly report on Form 10-Q. Such forward looking statements speak only as of the date hereof and readers should not unduly rely on such statements. We undertake no obligation to update the information contained in this press release, including in any forward-looking statements.

## **About Five9**

Five9 is a leading provider of cloud contact center software, bringing the power of the cloud to thousands of customers and facilitating more than three billion customer interactions annually. Since 2001, Five9 has led the cloud revolution in contact centers, helping organizations of every size transition from premise-based software to the cloud. With its extensive expertise, technology, and ecosystem of partners, Five9 helps businesses take advantage of secure, reliable, scalable cloud contact center software to create exceptional customer experiences, increase agent productivity and deliver tangible business results. For more information visit [www.five9.com](http://www.five9.com).



**Condensed Consolidated Balance Sheets**  
(unaudited, in thousands)

	<b>March 31,</b>	<b>December 31,</b>
	<b>2014</b>	<b>2013</b>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 29,238	\$ 17,748
Accounts receivable, net	6,650	6,970
Prepaid expenses and other current assets	2,647	1,651
Total current assets	38,535	26,369
Property and equipment, net	11,179	11,607
Intangible assets, net	2,937	3,065
Goodwill	11,798	11,798
Other assets	4,786	3,439
<b>Total assets</b>	<b>\$ 69,235</b>	<b>\$ 56,278</b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 3,753	\$ 4,306
Accrued and other current liabilities	7,788	5,929
Accrued federal fees	4,353	4,206
Sales tax liability	90	98
Revolving line of credit	12,500	—
Notes payable	2,037	1,522
Capital leases	4,907	4,857
Deferred revenue	4,957	4,375
Total current liabilities	40,385	25,293
Revolving line of credit — less current portion	—	12,500
Sales tax liability — less current portion	5,735	5,350
Notes payable — less current portion	24,962	7,095
Capital leases — less current portion	3,836	4,358
Convertible preferred and common stock warrant liabilities	2,647	3,935
Other long-term liabilities	668	715
<b>Total liabilities</b>	<b>78,233</b>	<b>59,246</b>
<b>Stockholders' deficit:</b>		
Convertible preferred stock	54,244	53,734
Common stock	6	5
Additional paid-in capital	35,868	34,089
Accumulated deficit	(99,116)	(90,796)
<b>Total stockholders' deficit</b>	<b>(8,998)</b>	<b>(2,968)</b>
<b>Total liabilities and stockholders' deficit</b>	<b>\$ 69,235</b>	<b>\$ 56,278</b>

**Condensed Consolidated Statements of Operations**  
(unaudited, in thousands, except per share data)

	<b>Three Months Ended</b>	
	<b>March 31, 2014</b>	<b>March 31, 2013</b>
Revenue	\$ 24,274	\$ 19,115
Cost of revenue	13,148	11,681
Gross profit	11,126	7,434
Operating expenses:		
Research and development	5,225	4,154
Sales and marketing	9,022	6,147
General and administrative	6,171	3,825
Total operating expenses	20,418	14,126
Loss from operations	(9,292)	(6,692)
Other income (expense), net:		
Change in fair value of convertible preferred and common stock warrant liabilities	1,745	230
Interest expense	(778)	(178)
Other income (expense), net	32	2
Total other income (expense), net	999	54
Loss before provision for income taxes	(8,293)	(6,638)
Provision for income taxes	27	19
Net loss	\$ (8,320)	\$ (6,657)
Net loss per share:		
Basic and diluted	\$ (1.48)	\$ (1.88)
Shares used in computing net loss per share:		
Basic and diluted	5,608	3,536

**Condensed Consolidated Statements of Cash Flows**  
(unaudited, in thousands)

	<b>Three Months Ended</b>	
	<b>March 31, 2014</b>	<b>March 31, 2013</b>
<b>Cash flows from operating activities:</b>		
Net loss	\$ (8,320)	\$ (6,657)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,592	958
Provision for doubtful accounts	20	7
Stock-based compensation	1,196	264
Loss on the disposal of property and equipment	—	4
Non-cash interest expense	51	—
Change in fair value of convertible preferred and common stock warrant liabilities	(1,745)	(230)
Changes in operating assets and liabilities:		
Accounts receivable	344	(144)
Prepaid expenses and other current assets	(965)	(1,194)
Other assets	(65)	(166)
Accounts payable	(221)	1,182
Accrued and other current liabilities	875	772
Accrued federal fees and sales tax liability	523	1,283
Deferred revenue	582	(119)
Other liabilities	(47)	197
Net cash used in operating activities	<u>(6,180)</u>	<u>(3,843)</u>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(71)	(115)
Restricted cash	(25)	—
Proceeds from sale of short-term investments	—	249
Net cash provided by (used in) investing activities	<u>(96)</u>	<u>134</u>
<b>Cash flows from financing activities:</b>		
Proceeds from exercise of common stock options	556	87
Proceeds from notes payable	19,561	—
Repayments of notes payable	(264)	(184)
Payments of capital leases	(1,282)	(664)
Payments for deferred offering costs	(805)	(15)
Proceeds from revolving line of credit	—	4,000
Net cash provided by financing activities	<u>17,766</u>	<u>3,224</u>
Net increase (decrease) in cash and cash equivalents	11,490	(485)
<b>Cash and cash equivalents:</b>		
Beginning of period	17,748	5,961
End of period	<u>\$ 29,238</u>	<u>\$ 5,476</u>

**Reconciliation of GAAP Gross Profit to Adjusted Gross Profit**  
(unaudited, in thousands)

	Three Months Ended	
	March 31, 2014	March 31, 2013
GAAP gross profit	\$ 11,126	\$ 7,434
GAAP gross margin	45.8%	38.9%
Non-GAAP adjustments:		
Depreciation	1,114	857
Intangibles amortization	88	—
Stock-based compensation	87	32
Adjusted gross profit	<u>\$ 12,415</u>	<u>\$ 8,323</u>
Adjusted gross margin	51.1%	43.5%

**Reconciliation of GAAP Net Loss to Adjusted EBITDA**  
(unaudited, in thousands)

	Three Months Ended	
	March 31, 2014	March 31, 2013
GAAP net loss	\$ (8,320)	\$ (6,657)
Non-GAAP adjustments:		
Provision for income taxes	27	19
Other (income) expense, net	(999)	(54)
Depreciation and amortization	1,592	958
Stock-based compensation	1,196	264
Adjusted EBITDA	<u>\$ (6,504)</u>	<u>\$ (5,470)</u>

**Reconciliation of GAAP Net Loss to Non-GAAP Net Loss**  
(unaudited, in thousands, except per share data)

	Three Months Ended	
	March 31, 2014	March 31, 2013
GAAP net loss	\$ (8,320)	\$ (6,657)
Non-GAAP adjustments:		
Change in fair value of convertible preferred and common stock warrant liabilities	(1,745)	(230)
Stock-based compensation	1,196	264
Intangibles amortization	128	—
Non-cash interest expense	51	—
Non-GAAP net loss	<u>\$ (8,690)</u>	<u>\$ (6,623)</u>
Non-GAAP net loss per share:		
Basic and diluted	<u>\$ (1.55)</u>	<u>\$ (1.87)</u>
Shares used in computing non-GAAP net loss per share:		
Basic and diluted	<u>5,608</u>	<u>3,536</u>

**Non-GAAP Adjustments**  
(unaudited, in thousands)

	Three Months Ended					
	March 31, 2014			March 31, 2013		
	Stock-Based Compensation	Intangibles Amortization	Depreciation	Stock-Based Compensation	Intangibles Amortization	Depreciation
Cost of revenue	\$ 87	\$ 88	\$ 1,114	\$ 32	\$ —	\$ 857
Research and development	350	—	46	53	—	44
Sales and marketing	326	28	20	105	—	11
General and administrative	433	12	284	74	—	46
Total	<u>\$ 1,196</u>	<u>\$ 128</u>	<u>\$ 1,464</u>	<u>\$ 264</u>	<u>\$ —</u>	<u>\$ 958</u>

**Reconciliation of GAAP Net Loss to Non-GAAP Net Loss – GUIDANCE**  
(unaudited, in thousands)

	Three Months Ending June 30, 2014		Year Ending December 31, 2014	
	Low	High	Low	High
GAAP net loss	\$ (11,569)	\$ (12,556)	\$ (41,715)	\$ (43,907)
Non-GAAP adjustments:				
Change in fair value of convertible preferred and common stock warrant liabilities	—	—	(1,745)	(1,745)
Stock-based compensation	1,541	1,541	5,825	6,025
Intangibles amortization	133	133	528	528
Non-cash interest expense	77	77	289	289
Non-GAAP net loss	<u>\$ (9,818)</u>	<u>\$ (10,805)</u>	<u>\$ (36,818)</u>	<u>\$ (38,810)</u>

**Investor Relations Contact:**

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