



Edgar Filing: VEEVA SYSTEMS INC - Form 10-K

(925) 452-6500

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Name of each exchange on which registered

Class A Common Stock, par value \$0.00001

New York Stock Exchange

Securities registered pursuant to section 12(g) of the Act:

None

Indicate by a check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 (§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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

(Do not check if a smaller reporting company)

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 aggregate market value of voting stock held by non-affiliates of the Registrant on the last business day of the Registrant's most recently completed second fiscal quarter, which was July 31, 2017, based on the closing price of \$63.76 for shares of the Registrant's Class A common stock as reported by the New York Stock Exchange, was approximately \$7.6 billion. Shares of Class A common stock or Class B common stock held by each executive officer, director, and their affiliated holders have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of February 28, 2018, there were 117,571,233 shares of the Registrant's Class A common stock outstanding and 24,820,140 shares of the Registrant's Class B common stock outstanding.

#### DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Proxy Statement for the 2018 Annual Meeting of Stockholders are incorporated herein by reference in Part III of this Form 10-K to the extent stated herein. The proxy statement will be filed by the Registrant with the Securities and Exchange Commission within 120 days after the end of the Registrant's fiscal year ended January 31, 2018.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Form 10-K contains forward-looking statements that are based on our beliefs and assumptions and on information currently available to us. Forward-looking statements include information concerning our possible or assumed future results of operations and expenses, business strategies and plans, trends, market sizing, competitive position, industry environment, potential growth opportunities and product capabilities, among other things. Forward-looking statements include all statements that are not historical facts and, in some cases, can be identified by terms such as “aim,” “anticipates,” “believes,” “could,” “estimates,” “expects,” “goal,” “intends,” “may,” “plans,” “potential,” “projects,” “seeks,” “should,” “strive,” “will,” “would” or similar expressions and the negatives of those terms.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including those described in “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Form 10-K. Given these uncertainties, you should not place undue reliance on these forward-looking statements.

Any forward-looking statement made by us in this Form 10-K speaks only as of the date on which it is made. Except as required by law, we disclaim any obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

As used in this Form 10-K, the terms “Veeva,” “Registrant,” “we,” “us,” and “our” mean Veeva Systems Inc. and its subsidiaries unless the context indicates otherwise.

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ITEM 1. BUSINESS

Overview

Veeva is a leading provider of industry cloud solutions for the global life sciences industry. We were founded in 2007 on the premise that industry-specific cloud solutions could best address the operating challenges and regulatory requirements of life sciences companies. Our products are designed to meet the unique needs of our customers and their most strategic business functions—from research and development (R&D) to commercialization. Our products address a broad range of needs—including multichannel customer relationship management (CRM), content management, master data management, and data regarding healthcare professionals and organizations—and are designed to help life sciences companies bring products to market faster and more efficiently, market and sell more effectively, and maintain compliance with government regulations.

Customer success is one of our core values, and our focus on it has allowed us to deepen and expand our strategic relationships with customers over time. Because of our industry focus, we have a unique, in-depth perspective into the needs and best practices of life sciences companies. This allows us to develop targeted solutions, quickly adapt to regulatory changes, and incorporate highly relevant enhancements into our existing solutions at a rapid pace.

Our goal is to become the most strategic technology partner to the life sciences industry and achieve long-term leadership with our solutions that support the R&D and commercial functions of life sciences companies. Our commercial solutions help life sciences companies achieve better, more intelligent engagement with healthcare professionals and healthcare organizations across multiple communication channels, including face-to-face, email, and web. Our R&D solutions for the clinical, regulatory, quality, and, when available, safety functions help life sciences companies streamline their end-to-end product development processes to increase operational efficiency and maintain regulatory compliance throughout the product lifecycle.

We are now also bringing the benefits of our content management solutions to a new set of customers in process and discrete manufacturing, consumer packaged goods, and highly regulated services industries. We believe that the ability of our solutions to meet the demanding business and compliance requirements of life sciences companies translates well into many other highly regulated industries. Our application currently offered to companies outside of life sciences is designed to help customers efficiently manage critical regulated processes and content in a compliant way and to enable secure collaboration across internal and external stakeholders, including outsourcing partners and vendors.

Executing in the Veeva Way

Fundamental to our business model is what we call The Veeva Way. The Veeva Way is key to our disciplined approach to achieve our goal of long-term leadership in each of the product markets we serve.

We start with a focus on addressing clear and correct target markets. Those are large product markets in which the problem being addressed by our solution is strategic to the businesses of our customers and in which we believe Veeva can become the leader over the long-term if we execute well. We embrace the concept of running to complexity, an approach in which we strive to solve the most important and challenging information technology problems our customers face.

We focus on delivering product excellence and cloud innovation. Our product development process begins with assembling and investing in strong product teams focused on building deep, best-in-class applications in every product



market we serve. Through innovative cloud technology, we also aim to eliminate disparate systems by delivering unified application suites that work together on a common platform.

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We strive to forge strong relationships with our customers and focus on customer success. When we enter a new product market, we begin with a small number of early adopter customers. We focus on learning from these early adopters and ensuring that they are successful with our products. Once successful, our early adopters have developed into vocal advocates, enabling our reference selling model.

Finally, our goal is to drive strong growth and profitability through highly efficient, targeted sales and marketing, disciplined product planning, and profitable professional services. Our strong growth and profitability has allowed us to make ongoing investments for continued product innovation in our existing markets, and we believe provides us with the resources to continue to invest in new market opportunities.

Our Industry Cloud Solutions for Life Sciences

Our industry cloud solutions for the life sciences industry are grouped into two key product areas—Veeva Commercial Cloud and Veeva Vault—and are designed to address pharmaceutical, biotechnology, and medical device companies' most pressing strategic needs in their commercial and R&D operations as illustrated in the graphic below.

Veeva Commercial Cloud

Veeva Commercial Cloud is a suite of multichannel CRM applications, territory allocation and alignment applications, master data management applications, and customer reference and key opinion leader data and services, designed to help companies drive smarter, more proactive engagement with healthcare professionals and healthcare organizations and ensure compliance.

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Our multichannel CRM applications that are part of Veeva Commercial Cloud include:

• Veeva CRM and Veeva Medical CRM enable customer-facing employees, such as life sciences sales representatives, key account managers, and scientific liaisons, to manage, track, and optimize interactions with healthcare professionals and healthcare organizations utilizing a single, integrated solution. With multichannel Veeva CRM, customers have an end-to-end solution for the planning and coordination of their teams across all key channels, including face-to-face, email, and web. Veeva CRM supports the life sciences industry's unique commercial business processes and regulatory compliance requirements with highly specialized functionality, such as prescription drug sample management with electronic signature capture, the management of complex affiliations between physicians and the organizations where they work, and the capture of medical inquiries from physicians. Powered by data science, Veeva CRM Suggestions is a dashboard included within Veeva CRM that offers life sciences sales representatives recommendations on the next best action and right channel for the next interaction with their customers. Our next-generation Sunrise user interface and real-time architecture for Veeva CRM provides an intuitive, adaptive design for optimal user experience across multiple devices and platforms.