INFOBLOX INC
Form S-1
September 19, 2012
Table of Contents

As filed with the Securities and Exchange Commission on September 19, 2012

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

INFOBLOX INC.

(Exact name of Registrant as specified in its charter)

Delaware	***7389***	***20-0062867***
(State or other jurisdiction of incorporation or organization)	***(Primary standard industrial classification code number)***	***(I.R.S. employer identification no.)***

4750 Patrick Henry Drive

Santa Clara, CA 95054

(408) 625-4200

(Address, including zip code, and telephone number, including area code, of Registrant s principal executive offices)

Robert D. Thomas

President and Chief Executive Officer

Infoblox Inc.

4750 Patrick Henry Drive

Santa Clara, CA 95054

(408) 625-4200

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

William L. Hughes, Esq.	***Robert E. Horton, Esq.***	***Jeffrey D. Saper, Esq.***
Shulamite S. White, Esq.	***Infoblox Inc.***	***Rezwan D. Pavri, Esq.***
Fenwick & West LLP	***4750 Patrick Henry Drive***	***Wilson Sonsini Goodrich & Rosati, P.C.***
801 California Street	***Santa Clara, 95054***	***650 Page Mill Road***
Mountain View, CA 94041	***(408) 625-4200***	***Palo Alto, California 94304***
(650) 988-8500		***(650) 493-9300***

Approximate date of commencement of proposed sale to the public: *As soon as practicable after the effective date of this Registration Statement.*

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 (the Securities Act), check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨ _____

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨ _____

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨ _____

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 Securities Exchange Act of 1934. (Check one):

Large accelerated filer	¨	*Accelerated filer*	¨
Non-accelerated filer	x *(Do not check if a smaller reporting company)*	*Smaller reporting company*	¨

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	***Proposed Maximum Aggregate Offering Price[(1)(2)]***	***Amount of Registration Fee***
Common stock, par value $0.0001 per share .	*$100,000,000*	*$11,460*

(1) Includes offering price of any additional shares that the underwriters have the option to purchase.
(2) Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment that specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

The information in this preliminary prospectus is not complete and may be changed. The selling stockholders may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PROSPECTUS (Subject to Completion)

Issued September 19, 2012

Shares

COMMON STOCK

Certain stockholders of Infoblox, Inc. are offering all shares of common stock. We will not receive any proceeds from the sale of shares of common stock to be offered by the selling stockholders.

Our common stock is listed on the New York Stock Exchange under the symbol BLOX. On September 18, 2012, the last reported sale price of our common stock as reported on the New York Stock Exchange was $22.17 per share.

We are an emerging growth company as defined under the federal securities laws and, as such, we are subject to reduced public company reporting requirements. Investing in our common stock involves risks. See Risk Factors beginning on page 9.

PRICE $ A SHARE

	Price to Public	*Underwriting Discounts and Commissions*	*Proceeds to Selling Stockholders*
Per share	*$*	*$*	*$*
Total	*$*	*$*	*$*

Certain selling stockholders have granted the underwriters the right to purchase up to an additional shares of common stock at the public offering price less the underwriting discount.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of common stock to purchasers on , 2012.

MORGAN STANLEY *GOLDMAN, SACHS & CO.*

UBS INVESTMENT BANK

PACIFIC CREST SECURITIES *JMP SECURITIES* *STEPHENS INC.*

, 2012

Table of Contents

TABLE OF CONTENTS

You should rely only on the information contained in this prospectus or in any free writing prospectus prepared by or on behalf of us and delivered or made available to you. Neither we, nor the selling stockholders, nor any of the underwriters have authorized anyone to provide you with additional or different information. The selling stockholders are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus or a free-writing prospectus is accurate only as of its date, regardless of its time of delivery or of any sale of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

For investors outside the United States: neither we, nor the selling stockholders nor any of the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside of the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of common stock and the distribution of this prospectus outside of the United States.

Table of Contents

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all the information you should consider before investing in our common stock. You should read the entire prospectus carefully, including the sections entitled Risk Factors and Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and related notes included elsewhere in this prospectus, before investing in our common stock. Our fiscal year ends on July 31, and references throughout this prospectus to a given year are to our fiscal year ended on that date.

Infoblox Inc.

We are a leader in automated network control and provide an appliance-based solution that enables dynamic networks and next-generation data centers. Our solution combines real-time IP address management with the automation of key network control and network change and configuration management processes in purpose-built physical and virtual appliances. It is based on our proprietary software that is highly scalable and automates vital network functions, such as IP address management, device configuration, compliance, network discovery, policy implementation, security and monitoring. In addition, our solution leverages our real-time distributed network database to provide always-on access to network control data through a scalable, redundant and reliable architecture.

Dynamic networks enable on-demand connection and configuration of devices and applications and allow organizations to, among other things, accelerate service delivery and enhance the value of virtualization and cloud computing. To create dynamic networks, organizations need automated network control, which allows real-time network discovery and visibility, scalability, device configuration and policy implementation, and thus enables flexibility and improves the reliability of expanding networks. Our solution allows our end customers to create dynamic networks, address burgeoning growth in the number of network-connected devices and applications, manage complex networks efficiently and capture more fully the value from virtualization and cloud computing.

We sell our integrated appliance and software solution primarily through channel partners to end customers of various sizes and across a wide range of industries. Our end customers include many of the largest Forbes Global 2000 companies, including:

- ten of the top 15 aerospace and defense companies;
- 15 of the top 25 auto and truck manufacturers;
- ten of the top 20 retailers;
- five of the top ten major banks; and
- seven of the top ten telecommunications providers.

Our appliances have been sold to more than 5,900 end customers, including Adobe, Barclays, Best Buy, Boeing, Caterpillar, the Federal Aviation Administration, IBM, Johnson & Johnson, KDDI, Quest Diagnostics, Reuters, the Royal Bank of Canada, Staples, TIMPO, U.S. Customs and Border Protection and Vodafone.

We have experienced rapid growth in recent periods. Our net revenue increased from $102.2 million in 2010 to $169.2 million in 2012, representing a compounded annual growth rate of 28.7%, and our cash flows from operating activities increased from $15.3 million to $21.4 million over that same period. In 2010, we had net income of $7.0 million. In 2011 and 2012, we had net losses of $5.3 million and $8.2 million. As of July 31, 2012, we had an accumulated deficit of $108.1 million.

Table of Contents

Industry Background

Dynamic networks are essential to the performance of data centers and increasingly rely on the Internet Protocol, or IP. Organizations are deploying dynamic networks to enable next-generation data centers that utilize virtualization, cloud computing, software-as-a-service and high-speed networking to cost-effectively support numerous business critical operations. Organizations have upgraded the performance of their networking hardware, such as switches and routers, but generally have not upgraded their network control, which is the infrastructure and software that control the operation of the network. The importance of network control grows as networks increase in scale and complexity because of the rapid growth in the number of devices and software applications requiring network connectivity, the consumerization of Information Technology, or IT, the adoption of next-generation IP protocols and the proliferation of virtualization and cloud computing.

Factors Creating a Need for Automated Network Control

The objective of network control is to establish and maintain reliable device and application connectivity to the network by performing a number of complex functions and processes, including IP address management, device configuration, compliance, network discovery, policy implementation, security and monitoring. Historically, organizations have implemented network control using legacy approaches such as basic protocol servers, unsupported internally-developed software, spreadsheets and other manual processes involving routine, repetitive and error-prone tasks. Organizations need automated network control to create dynamic networks. This need is driven by a number of trends, including the following:

- Rapid growth in the number and types of devices that require network connections;
- Rapid growth in the number of network-connected software applications, resulting in increased frequency of requests for IP locations;
- Demand for next-generation data centers that utilize virtualization and cloud computing and the need to deliver and scale services in real-time;
- Challenges of IP version 6, or IPv6, implementation due to the complexity of this protocol and the need for it to coexist with IP version 4, or IPv4; and
- Demand for personal consumer device connectivity to the networks of organizations.

Challenges of Legacy Network Control Approaches

As the above trends lead to increased network complexity, the following challenges of legacy approaches to network control are becoming more acute:

Long Time to Value. Many organizations are seeking to reduce the time required to place IT infrastructure into service to support their business needs, in part through the use of virtualization and cloud computing. Legacy approaches to network control can be time consuming and therefore may limit an organization s ability to respond to new revenue opportunities and implement cost reduction strategies.

Limited Availability. A network may become unavailable as a result of faults, security attacks or other disruptions caused by data loss, configuration errors or lack of name recognition and inaccurate IP addresses. Legacy network control approaches were not designed to meet the availability requirements of dynamic networks and make networks more susceptible to failures, security attacks and outages.

High Total Cost of Ownership. Legacy network control approaches generally require organizations to make significant investments in experienced IT personnel capable of managing the availability and

Table of Contents

improving the performance of their networks. The additional complexity of IPv6 will increase the need for IT personnel because protocols will become more complicated and IT personnel will have to manage multiple IP protocols with manual processes.

Limited Performance. As more applications and devices connect to the network, they are increasingly dependent upon the performance of connection protocols. Legacy network control approaches are unable to process the increasing volume of requests for configuration change, IP addresses and domain names, thereby causing applications and devices to have inconsistent access to the network.

Limited Scalability. Legacy network control approaches generally limit scalability since they rely in part on manual processes and internally-developed software. This constrains the number of devices that can be connected to the network and limits the scalability of network capacity and functionality.

Difficult to Use. Legacy network control approaches are complex and generally require experienced IT personnel capable of using existing tools and undocumented processes to coordinate manual updates and configuration changes to a network, as well as to manage compliance standards and policies. As a result, organizations frequently must deploy their most experienced IT personnel for network control rather than for strategic business priorities.

Market Opportunity for Automated Network Control

We believe that the market opportunity for automated network control can be estimated based on the significant expenditures that organizations make deploying millions of protocol servers, application change and configuration management software, and IP address management tools, and for ongoing associated labor costs. To make the transition to next-generation data centers that rely on dynamic networks, organizations need to replace legacy approaches to network control with purpose-built automated network control solutions. We believe that the market for automated network control will grow as more end customers replace their legacy network control with automated solutions that enable dynamic networks.

Our Solution

Our appliance-based solution combines real-time IP address management with the automation of key network control and network change and configuration management processes in purpose-built physical and virtual appliances. It is based on our proprietary software that is highly scalable and automates vital network functions, such as IP address management, device configuration, compliance, network discovery, policy implementation, security and monitoring. In addition, our solution leverages our Grid technology, which utilizes our real-time distributed network database to provide always-on access to network control data through a scalable, redundant and reliable architecture. Grid enables end customers to manage network information, including millions of IP addresses, and to configure, back up, restore and upgrade thousands of appliances globally from a single point of control.

Key customer benefits of our solution include:

Rapid Time to Value. Our automated network control solution allows our end customers to operate their networks in real-time and to introduce IT infrastructure rapidly by propagating network configuration data instantly. This enables our end customers to accelerate business imperatives, including applications that may enhance revenue or decrease expenditures.

High Availability. Our solution ensures high network availability through a distributed network database that maintains system redundancy and security across multiple connected appliances and locations. This makes the network less susceptible to failures, security attacks and outages.

Table of Contents

Cost Effective. Our technologies automate routine, repetitive and complex network configuration operations, eliminate many error-prone tasks and manual processes and provide a single point of control. Our solution also addresses the complexity of IPv6. This allows our end customers to reduce the operational costs of configuring and maintaining the network by employing fewer and less expensive IT personnel to perform network control tasks.

High Performance. Our purpose-built physical and virtual appliances provide high performance and real-time processing of configuration change requests and connection protocols, such as the domain name system, or DNS, and the dynamic host configuration protocol, or DHCP. For example, our Trinzic 4030 hardware appliance can deliver 1.0 million DNS queries per second, which we believe is the fastest commercially-available DNS product on the market.

High Scalability. Our solution leverages our real-time, distributed network database to enable up to 12,500 of our physical and virtual appliances to operate as a single, unified system that can replicate and distribute data in real-time.

Easy to Use. Our solution offers intuitive graphical user interfaces to guide inexperienced IT personnel through complex workflows. It enables our end customers to configure, back up, restore and upgrade thousands of appliances globally from a single point of control, often with a single click. In addition, our solution enables organizations to place network hardware components into service and manage ongoing compliance reporting requirements easily by maintaining and updating device configurations and policies centrally.

Our Growth Strategy

The following are key elements of our growth strategy:

Extend Our Technology Leadership Position. We intend to leverage our leadership position and time to market advantage by continuing to define the market requirements for automated network control. We also plan to continue to invest in research and development to help our end customers achieve the full benefits of virtualization and cloud computing through network automation technology.

Strategically Expand Our Product Portfolio. Our close relationships with our end customers provide us with valuable insights into end customer needs, deployment demands and market trends, and we plan to continue to leverage this information to develop and enhance our product offerings. In addition, we expect to expand into adjacent markets through organic development, strategic technology partnerships and selective acquisitions.

Extend Our Reach and Add New End Customers. We intend to target new end customers by continuing to invest in our sales force, deepening our engagement with our current channel partners and establishing relationships with new channel partners.

Up-Sell Additional Products into Our Growing End Customer Base. We intend to continue to develop our marketing and sales capabilities to encourage the adoption of new products by our large installed base of end customers.

Expand Channel Relationships to Accelerate Adoption of Our Solution. We intend to increase the productivity of our channel partners through product education, sales training and support training. In addition, we intend to leverage and work with service providers to distribute our solution through product resale and managed service offerings.

Table of Contents

Risks Affecting Us

Our business is subject to numerous risks and uncertainties of which you should be aware before making an investment decision. These risks and uncertainties are discussed more fully in the section of this prospectus entitled Risk Factors and include, but are not limited to, the following:

- We have a history of losses, and we may not become profitable or maintain profitability;
- Our recent growth rates may not be indicative of our future growth, and we may not continue to grow at our recent pace or at all;
- The developing and rapidly evolving nature of our business and the markets in which we operate may make it difficult to evaluate our business;
- Our net revenue and operating results could vary significantly from period to period and be unpredictable, which could cause the market price of our common stock to decline;
- Sales of our Trinzic DDI family of products generate most of our products and licenses revenue, and if we are unable to continue to grow sales of these products, our operating results and profitability will suffer;
- The demand for our solution and corresponding sales of our products may not grow as we expect; and
- We compete in highly competitive markets, and competitive pressures from existing and new companies may adversely impact our business and operating results.

We were originally incorporated in Illinois in February 1999 and reincorporated in Delaware in May 2003. Our principal executive offices are located at 4750 Patrick Henry Drive, Santa Clara, California 95054, and our telephone number is (408) 625-4200. Our website address is www.infoblox.com. The information on, or that can be accessed through, our website is not incorporated by reference into this prospectus and should not be considered to be a part of this prospectus. Unless otherwise indicated, the terms Infoblox, we, us and our refer to Infoblox Inc., a Delaware corporation, together with its consolidated subsidiaries.

Infoblox is our registered trademark in the United States, and the Infoblox logo and all of our product names are our trademarks. Other trademarks appearing in this prospectus are the property of their respective holders.

Table of Contents

THE OFFERING

Common stock offered by the selling stockholders	shares
Option to purchase additional shares granted by certain of the selling stockholders	shares
Common stock to be outstanding after this offering	shares
Use of proceeds	The selling stockholders will receive all of the net proceeds from the sale of shares in this offering. We will not receive any proceeds from the sale of shares in this offering. See Use of Proceeds.
NYSE symbol	BLOX

The number of shares of our common stock to be outstanding after this offering is based upon the number of shares of our common stock outstanding as of July 31, 2012, after giving effect to the issuance of shares of our common stock to be acquired by certain selling stockholders through option exercises at the closing of this offering in order to sell those shares in this offering, and does not include:

- shares of our common stock issuable upon the exercise of stock options outstanding as of July 31, 2012, with a weighted-average exercise price of $ per share (other than shares to be sold in this offering by certain selling stockholders upon the exercise of vested stock options) and 35,550 shares of our common stock issuable upon the settlement of restricted stock units outstanding as of July 31, 2012;
- 19,922 shares of our common stock issuable upon the exercise of stock options granted after July 31, 2012, with a weighted-average exercise price of $20.36 per share and 851,725 shares of our common stock issuable upon the settlement of restricted stock units granted after July 31, 2012;
- 22,831 shares of our common stock issuable upon the exercise of warrants outstanding as of July 31, 2012, with a weighted-average exercise price of $4.05 per share; and
- 4,640,628 shares of our common stock reserved for future issuance under our 2012 Equity Incentive Plan and 1,500,000 shares of our common stock reserved for future issuance under our 2012 Employee Stock Purchase Plan; and shares that become available pursuant to provisions of each plan that automatically increase their share reserves each year, as more fully described in Executive Compensation Employee Benefit Plans.

Except as otherwise indicated, all information in this prospectus assumes:

- no exercise of outstanding options or warrants since July 31, 2012; and
- no exercise by the underwriters of their option to purchase up to an additional shares of our common stock from certain selling stockholders in this offering.

Table of Contents

SUMMARY CONSOLIDATED FINANCIAL DATA

The following tables summarize our consolidated financial data. We derived the summary consolidated statement of operations data for the years ended July 31, 2010, 2011 and 2012 and the summary consolidated balance sheet data as of July 31, 2012 from our audited consolidated financial statements included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results to be expected in the future. You should read the following summary consolidated financial data in conjunction with the section entitled Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements, related notes and other financial information included elsewhere in this prospectus.

	Year Ended July 31,		
	2010	2011	2012
	(In thousands, except per share data)		
Consolidated Statement of Operations Data:			
Net revenue:			
Products and licenses	$ 65,849	$ 80,274	$ 95,012
Services	36,319	52,561	74,234
Total net revenue	102,168	132,835	169,246
Cost of revenue[(1)]:			
Products and licenses	13,770	16,652	21,778
Services	8,183	12,187	15,342
Total cost of revenue	21,953	28,839	37,120
Gross profit	80,215	103,996	132,126
Operating expenses:			
Research and development[(1)]	18,066	29,605	36,624
Sales and marketing[(1)]	45,413	67,390	86,474
General and administrative[(1)]	8,380	10,831	15,548
Total operating expenses	71,859	107,826	138,646
Income (loss) from operations	8,356	(3,830)	(6,520)
Other expense, net	(357)	(690)	(946)
Income (loss) before provision for income taxes	7,999	(4,520)	(7,466)
Provision for income taxes	1,011	802	744