

Liquidity and Capital Resources

At December 31, 2019, our principal sources of liquidity were \$215.9 million of cash and cash equivalents, investments of \$261.8 million, and \$131.1 million of accounts receivable, net.

In December 2017, we issued \$300.0 million principal amount of 5.75% senior convertible notes due July 1, 2021 (the “2021 Notes”) for a purchase price equal to 98% of the principal amount, to certain entities affiliated with Silver Lake and LinkedIn. Holders of the 2021 Notes may convert their 2021 Notes at any time prior to the close of business on the scheduled trading day immediately preceding the maturity date. We utilized the proceeds in part to repay the 2018 Notes on July 2, 2018. The 2018 Notes are no longer outstanding. For additional information regarding certain amendments we expect to be made to the 2021 Notes in connection with our anticipated acquisition of Saba, refer to Note 20 of the Notes to Consolidated Financial Statements included in this Annual Report on Form 10-K.

In September 2018, we used approximately \$18.2 million of cash in connection with our acquisition of Workpop and in November 2018, we used approximately \$22.9 million of cash in connection with our acquisition of Grovo. In connection with the acquisition of Grovo, we recorded a facility financing obligation of \$46.1 million associated with the build-to-suit asset recorded on our consolidated balance sheets in 2018; this was de-recognized and accounted for as an operating lease during 2019 due to the adoption of Accounting Standards Update No. 2016-02, “Leases (Topic 842)”. During the fourth quarter of 2019, we invested \$8.0 million in Talespin, a developer of enterprise virtual reality training software.

In February 2020, we entered into a definitive agreement to acquire Saba, which acquisition remains subject to customary closing conditions and regulatory reviews. In connection with the anticipated acquisition of Saba, we expect to incur approximately \$985.0 million of additional indebtedness as a senior term loan as well as a revolving credit facility to borrow up to an additional \$150.0 million to finance a portion of the \$1.33 billion cash consideration payable. For additional information regarding our anticipated acquisition of Saba, including the consideration payable and expected debt arrangements, refer to Note 20 of the Notes to Consolidated Financial Statements included in this Annual Report on Form 10-K.

We intend to use our cash for general corporate purposes, potential future acquisitions or other transactions. Depending on certain growth opportunities, we may choose to accelerate investments in sales and marketing, research and development, technology and services, which may require the use of proceeds for such additional expansion and expenditures. Based on our current level of operations and anticipated growth, we believe our future cash flows from operating activities and existing cash and cash equivalents will provide adequate funds for our ongoing operations and general corporate purposes for at least the next 12 months. Our future capital requirements will depend on many factors, including our rate of revenue growth and collections, the level of our sales and marketing efforts, the timing and extent of spending to support product development efforts and expansion into new territories, the timing of introductions of new services and enhancements to existing services, the timing of general and administrative expenses as we grow our administrative infrastructure, and the continuing market acceptance of our products. To the extent that existing cash and cash from operations are insufficient to fund our future activities, we may need to raise additional funds. In addition, we may enter into agreements or letters of intent with respect to potential investments in, or acquisitions of, complementary businesses, services or technologies in the future, which could also require us to seek additional financing or utilize our cash resources.

The following table sets forth a summary of our cash flows for the periods indicated (in thousands):

	Year Ended December 31,		
	2019	2018	2017
Net cash provided by operating activities	\$ 115,549	\$ 90,253	\$ 67,510
Net cash used in investing activities	(97,727)	(20,876)	(36,666)
Net cash provided by (used in) financing activities	14,775	(278,016)	276,852

Our cash flows from operating activities are significantly influenced by our growth, ability to maintain our contractual billing and collection terms, and our investments in headcount and infrastructure to support anticipated growth. Given the seasonality and continued growth of our business, our cash flows from operations will vary from period to period.

Cash provided by operating activities was \$115.5 million in 2019, compared to \$90.3 million in 2018. The increase in operating cash flow was primarily due to improved profitability, improved collections, and other working capital changes in 2019 when compared to 2018.