

FLUIDIGM CORP
Form 10-Q
August 04, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ 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 _____

Commission file number: 001-34180

FLUIDIGM CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

7000 Shoreline Court, Suite 100

South San Francisco, California 94080

(Address of principal executive offices) (Zip Code)

(650) 266-6000

(Registrant's telephone number, including area code)

77-0513190

(I.R.S. Employer

Identification Number)

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 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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting 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 ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 25, 2014, there were 28,171,212 shares of the Registrant's common stock outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

FLUIDIGM CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except per share amounts)

	June 30, 2014 (Unaudited)	December 31, 2013 (Note 2)
ASSETS		
Current assets:		
Cash and cash equivalents	\$43,681	\$35,261
Short-term investments	51,063	49,083
Accounts receivable (net of allowances of \$36 at June 30, 2014 and December 31, 2013)	13,329	10,552
Inventories	16,357	8,148
Prepaid expenses and other current assets	3,004	1,540
Total current assets	127,434	104,584
Long-term investments	62,294	1,942
Property and equipment, net	11,568	6,818
Developed technology, net	107,800	—
Goodwill	104,245	—
Other non-current assets	4,405	3,571
Total assets	\$417,746	\$116,915
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$7,637	\$4,353
Accrued compensation and related benefits	5,506	5,485
Other accrued liabilities	8,296	5,392
Deferred revenue, current portion	5,867	2,721
Total current liabilities	27,306	17,951
Convertible notes, net	195,343	—
Deferred tax liability	27,904	—
Deferred revenue, net of current portion	4,227	1,899
Other non-current liabilities	1,140	651
Total liabilities	255,920	20,501
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.001 par value, 10,000 shares authorized, no shares issued and outstanding at June 30, 2014 and December 31, 2013	—	—
Common stock: \$0.001 par value, 200,000 shares authorized at June 30, 2014 and December 31, 2013; 28,159 and 25,811 shares issued and outstanding as of June 30, 2014 and December 31, 2013, respectively	28	26
Additional paid-in capital	447,941	354,465
Accumulated other comprehensive loss	(700)	(730)
Accumulated deficit	(285,443)	(257,347)
Total stockholders' equity	161,826	96,414
Total liabilities and stockholders' equity	\$417,746	\$116,915
See accompanying notes.		

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FLUIDIGM CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share amounts)

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Revenue:				
Product revenue	\$27,479	\$17,267	\$52,928	\$31,522
License revenue	74	48	186	163
Grant revenue	54	165	217	330
Total revenue	27,607	17,480	53,331	32,015
Costs and expenses:				
Cost of product revenue	9,955	4,876	18,659	9,135
Research and development	11,374	4,997	19,020	9,194
Selling, general and administrative	18,655	11,597	33,912	22,743
Acquisition-related expenses	—	—	10,696	—
Total costs and expenses	39,984	21,470	82,287	41,072
Loss from operations	(12,377)	(3,990)	(28,956)	(9,057)
Interest expense	(1,415)	(2)	(2,441)	(12)
Gain from sale of investment in Verinata	—	—	—	1,777
Other (expense) income, net	(18)	(39)	30	(252)
Loss before income taxes	(13,810)	(4,031)	(31,367)	(7,544)
Benefit from (provision for) income taxes	1,128	(15)	3,271	(53)
Net loss	\$(12,682)	\$(4,046)	\$(28,096)	\$(7,597)
Net loss per share, basic and diluted	\$(0.45)	\$(0.16)	\$(1.03)	\$(0.30)
Shares used in computing net loss per share, basic and diluted	27,960	25,443	27,389	25,343
See accompanying notes.				

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FLUIDIGM CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(In thousands)

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Net loss	\$(12,682	) \$(4,046	) \$(28,096	) \$(7,597
Other comprehensive income (loss), net of tax				
Unrealized net loss on available-for-sale securities	(41	) (19	) (40	) (14
Foreign currency translation adjustment	98	(4	) 70	(12
Other comprehensive income (loss), net of tax	57	(23	) 30	(26
Total comprehensive loss	\$(12,625) \$(4,069) \$(28,066) \$(7,623
See accompanying notes.				

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FLUIDIGM CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

	Six Months Ended June 30,	
	2014	2013
Operating activities		
Net loss	\$(28,096	) \$(7,597
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,842	1,193
Stock-based compensation expense	9,256	2,932
Acquisition-related share-based awards acceleration expense	2,648	—
Amortization of developed technology	4,200	—
Non-cash charges for sale of inventory revalued at the date of acquisition	682	—
Gain from sale of investment in Verinata	—	(1,777
Other non-cash items	67	29
Changes in assets and liabilities:		
Accounts receivable, net	4,892	2,143
Inventories	(5,709	) (433
Prepaid expenses and other current assets	6	(949
Other non-current assets	(1,161	) (9
Accounts payable	2,183	(116
Deferred revenue	2,001	882
Other current liabilities	765	108
Other non-current liabilities	(3,811	) 73
Net cash used in operating activities	(10,235	) (3,521
Investing activities		
Acquisition, net of cash acquired	(113,190) —
Purchases of investments	(86,793	) (40,620
Proceeds from sales and maturities of investments	24,461	14,440
Proceeds from sale of investment in Verinata	—	3,117
Purchase of intangible assets	—	(1,148
Purchases of property and equipment	(4,563	) (912
Net cash used in investing activities	(180,085	) (25,123
Financing activities		
Proceeds from issuance of convertible notes, net	195,212	—
Proceeds from exercise of stock options	3,457	2,420
Net cash provided by financing activities	198,669	2,420
Effect of foreign exchange rate fluctuations on cash and cash equivalents	71	(135
Net increase (decrease) in cash and cash equivalents	8,420	(26,359
Cash and cash equivalents at beginning of period	35,261	58,649
Cash and cash equivalents at end of period	\$43,681	\$32,290

Supplemental cash flow information: