

AtriCure, Inc.
Form 10-Q
August 02, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2018

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 000-51470

AtriCure, Inc.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

34-1940305
(IRS Employer
Identification No.)

7555 Innovation Way

Mason, OH 45040

(Address of principal executive offices)

(513) 755-4100

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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 every Interactive Data File required to be submitted 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 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, 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 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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Edgar Filing: AtriCure, Inc. - Form 10-Q

Class	Outstanding at July 30, 2018
Common Stock, \$.001 par value	35,361,743

Table of Contents

Table of Contents

	Page
<u>PART I. FINANCIAL INFORMATION</u>	
Item 1. <u>Financial Statements (Unaudited)</u>	
<u>Condensed Consolidated Balance Sheets as of June 30, 2018 and December 31, 2017</u>	3
<u>Condensed Consolidated Statements of Operations and Comprehensive Loss for the Three and Six Months Ended June 30, 2018 and 2017</u>	4
<u>Condensed Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2018 and 2017</u>	5
<u>Notes to Condensed Consolidated Financial Statements</u>	6
Item 2. <u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	18
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	24
Item 4. <u>Controls and Procedures</u>	24
<u>PART II. OTHER INFORMATION</u>	
Item 1. <u>Legal Proceedings</u>	24
Item 1A. <u>Risk Factors</u>	24
Item 6. <u>Exhibits</u>	25
<u>Signatures</u>	26



Table of Contents

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

ATRICURE, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(In Thousands, Except Per Share Amounts)

(Unaudited)

	June 30, 2018	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 13,866	\$ 21,809
Short-term investments	23,202	12,642
Accounts receivable, less allowance for doubtful accounts of \$32 and \$32	24,895	23,083
Inventories	21,682	22,451
Other current assets	3,120	2,273
Total current assets	86,765	82,258
Property and equipment, net	28,126	28,749
Intangible assets, net	50,080	50,764
Goodwill	105,257	105,257
Other noncurrent assets	619	676
Total Assets	\$ 270,847	\$ 267,704
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 9,670	\$ 12,431
Accrued liabilities	17,161	18,911
Other current liabilities and current maturities of capital leases	589	561
Total current liabilities	27,420	31,903
Capital leases	12,492	12,761
Long-term debt	39,399	24,100
Other noncurrent liabilities	31,849	37,774
Total Liabilities	111,160	106,538
Commitments and contingencies (Note 7)		
Stockholders' Equity:		

Edgar Filing: AtriCure, Inc. - Form 10-Q

Common stock, \$0.001 par value, 90,000 shares authorized and 35,313 and 34,586 issued and

outstanding	35	35
Additional paid-in capital	396,088	386,963
Accumulated other comprehensive (loss) income	(98)	34
Accumulated deficit	(236,338)	(225,866)
Total Stockholders' Equity	159,687	161,166
Total Liabilities and Stockholders' Equity	\$ 270,847	\$ 267,704

See accompanying notes to condensed consolidated financial statements.

3

Table of Contents

ATRICURE, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(In Thousands, Except Per Share Amounts)

(Unaudited)