

Pacira Pharmaceuticals, Inc.
Form 10-Q
May 03, 2018
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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 March 31, 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: 001-35060

PACIRA PHARMACEUTICALS, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware 51-0619477
(State or Other Jurisdiction of (I.R.S. Employer
Incorporation or Organization) Identification No.)

5 Sylvan Way, Suite 300
Parsippany, New Jersey, 07054
(Address and Zip Code of Principal Executive
Offices)

(973) 254-3560
(Registrant's Telephone Number, Including Area
Code)

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 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.

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Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
(Do not check if a 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 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

As of April 26, 2018, 40,732,255 shares of the registrant's common stock, \$0.001 par value per share, were outstanding.

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 FOR THE QUARTER ENDED MARCH 31, 2018
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PART I — FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS (Unaudited)

PACIRA PHARMACEUTICALS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share amounts)

(Unaudited)

	March 31, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$41,563	\$ 54,126
Short-term investments	298,225	257,221
Accounts receivable, net	31,203	31,658
Inventories, net	40,043	41,411
Prepaid expenses and other current assets	7,700	6,694
Total current assets	418,734	391,110
Long-term investments	21,683	60,047
Fixed assets, net	109,225	107,046
Goodwill	57,490	55,197
Equity investment	14,146	14,146
Other assets	759	825
Total assets	\$622,037	\$ 628,371
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$14,913	\$ 14,658
Accrued expenses and current portion of deferred revenue	33,017	41,159
Convertible senior notes	327	324
Income taxes payable	111	76
Total current liabilities	48,368	56,217
Convertible senior notes	279,685	276,173
Other liabilities	15,463	16,498
Total liabilities	343,516	348,888
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Preferred stock, par value \$0.001; 5,000,000 shares authorized; none issued and outstanding at March 31, 2018 and December 31, 2017	—	—
Common stock, par value \$0.001; 250,000,000 shares authorized; 40,720,038 shares issued and outstanding at March 31, 2018; 40,668,877 shares issued and outstanding at December 31, 2017	41	41
Additional paid-in capital	677,836	669,032
Accumulated deficit	(398,455)	(389,136)
Accumulated other comprehensive loss	(901)	(454)
Total stockholders' equity	278,521	279,483
Total liabilities and stockholders' equity	\$622,037	\$ 628,371

See accompanying condensed notes to consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share amounts)

(Unaudited)

	Three Months Ended	
	March 31,	
	2018	2017
Revenues:		
Net product sales	\$74,287	\$68,425
Collaborative licensing and milestone revenue	—	206
Royalty revenue	320	652
Total revenues	74,607	69,283
Operating expenses:		
Cost of goods sold	22,885	24,581
Research and development	14,378	16,632
Selling, general and administrative	44,191	42,120
Product discontinuation	90	—
Total operating expenses	81,544	83,333
Loss from operations	(6,937)	(14,050)
Other (expense) income:		
Interest income	1,374	514
Interest expense	(5,157)	(2,589)
Loss on early extinguishment of debt	—	(3,721)
Other, net	75	10
Total other expense, net	(3,708)	(5,786)
Loss before income taxes	(10,645)	(19,836)
Income tax expense	(35)	(30)
Net loss	\$(10,680)	\$(19,866)
Net loss per share:		
Basic and diluted net loss per common share	\$(0.26)	\$(0.52)
Weighted average common shares outstanding:		