

STAAR SURGICAL CO
Form 10-Q
November 01, 2013



**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: September 27, 2013

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: 0-11634

STAAR SURGICAL COMPANY

(Exact name of registrant as specified in its charter)

Delaware

*(State or other jurisdiction of
incorporation or organization)*

95-3797439

*(I.R.S. Employer
Identification No.)*

1911 Walker Avenue

Monrovia, California 91016

(Address of principal executive offices)

(626) 303-7902

(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, 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. (Check one):

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

The registrant has 37,297,343 shares of common stock, par value \$0.01 per share, issued and outstanding as of October 25, 2013.

STAAR SURGICAL COMPANY

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STAAR SURGICAL COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except par value amounts)
(Unaudited)

	September 27, 2013	December 28, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$23,351	\$21,675
Accounts receivable trade, net	9,467	8,543
Inventories, net	11,880	11,673
Deferred income taxes	483	
Prepays, deposits and other current assets	2,703	2,183
Total current assets	47,884	44,074
Property, plant and equipment, net	6,512	5,439
Intangible assets, net	1,567	2,142
Goodwill	1,786	1,786
Deferred income taxes	732	187
Other assets	1,056	1,131
Total assets	\$59,537	\$54,759
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Line of credit	\$5,050	\$5,850
Accounts payable	4,536	5,129
Deferred income taxes	439	439
Obligations under capital leases	393	829
Other current liabilities	6,052	5,702
Total current liabilities	16,470	17,949
Obligations under capital leases	211	488
Deferred income taxes	1,690	885
Asset retirement obligations	374	707
Pension liability	2,971	2,988
Total liabilities	21,716	23,017
Commitments and contingencies (Note 12)		
Stockholders' equity:		
Common stock, \$0.01 par value; 60,000 shares authorized; 36,955 and 36,423 shares issued and outstanding at September 27, 2013 and December 28, 2012	370	364
Additional paid-in capital	168,056	162,251
Accumulated other comprehensive income	574	1,580
Accumulated deficit	(131,179)	(132,453)
Total stockholders' equity	37,821	31,742
Total liabilities and stockholders' equity	\$59,537	\$54,759

See accompanying notes to the condensed consolidated financial statements.

STAAR SURGICAL COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 27, 2013	September 28, 2012	September 27, 2013	September 28, 2012
Net sales	\$ 17,106	\$ 15,866	\$ 53,271	\$ 47,316
Cost of sales	5,047	4,690	15,939	14,194
Gross profit	12,059	11,176	37,332	33,122
General and administrative	4,140	3,450	12,021	10,942
Marketing and selling	5,527	5,507	16,471	15,536
Research and development	1,684	1,582	4,736	4,640
Medical device tax	45		149	
Other general and administrative expenses	490	728	2,004	1,980
Operating income (loss)	173	(91)	1,951	24
Other income (expense):				
Interest income	9	7	23	14
Interest expense	(38)	(65)	(134)	(227)
Gain (loss) on foreign currency transactions	226	191	(38)	9
Other income, net	130	87	360	610
Other income, net	327	220	211	406
Income before provision (benefit) for income taxes	500	129	2,162	430
Provision (benefit) for income taxes	(25)	219	888	779
Net income (loss)	\$ 525	\$ (90)	\$ 1,274	\$ (349)
Net income (loss) per share - basic	\$ 0.01	\$ (0.00)	\$ 0.03	\$ (0.01)
Net income (loss) per share - diluted	\$ 0.01	\$ (0.00)	\$ 0.03	\$ (0.01)
Weighted average shares outstanding - basic	36,750	36,292	36,552	36,206
Weighted average shares outstanding - diluted	39,284	36,292	38,482	36,206

See accompanying notes to the condensed consolidated financial statements.

STAAR SURGICAL COMPANY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands, except par value amounts)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 27, 2013	September 28, 2012	September 27, 2013	September 28, 2012
Net income (loss)	\$ 525	\$ (90)	\$ 1,274	\$ (349)
Other comprehensive income (loss), net of tax:				
Foreign currency translation	(92)	201	(986)	15
Pension liability adjustment, net of tax	(5)	(12)	(21)	(36)