

Stereotaxis, Inc.
Form 10-Q
November 06, 2009
[Table of Contents](#)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2009.

.. 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: 000-50884

STEREOTAXIS, INC.

(Exact name of registrant as specified in its charter)

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

Delaware
(State of Incorporation)

94-3120386
(I.R.S. employer identification no.)

4320 Forest Park Avenue

Suite 100

St. Louis, Missouri
(Address of principal executive offices)

63108
(Zip Code)

Registrant's telephone number, including area code: (314) 678-6100

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 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):

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

The number of outstanding shares of the registrant's common stock on October 31, 2009 was 50,258,451.

Table of Contents

STEREOTAXIS, INC.

INDEX TO FORM 10-Q

	Page
Part I Financial Information	
Item 1. <u>Financial Statements (unaudited)</u>	
<u>Balance Sheets</u>	3
<u>Statements of Operations</u>	4
<u>Statements of Cash Flows</u>	5
<u>Notes to Financial Statements</u>	6-15
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	15-20
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	20-21
Item 4. <u>Controls and Procedures</u>	21
Part II Other Information	
Item 1. <u>Legal Proceedings</u>	22
Item 1A. <u>Risk Factors</u>	22
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	22
Item 3. <u>Defaults upon Senior Securities</u>	22
Item 4. <u>Submission of Matters to a Vote of Security Holders</u>	22
Item 5. <u>Other Information</u>	22
Item 6. <u>Exhibits</u>	22
<u>Signatures</u>	23
<u>Exhibit Index</u>	24

Table of Contents**ITEM 1. FINANCIAL STATEMENTS****STEREOTAXIS, INC.****BALANCE SHEETS**

	September 30, 2009 (unaudited)	December 31, 2008
Assets		
Current assets:		
Cash and cash equivalents	\$ 12,012,659	\$ 30,355,657
Accounts receivable, net of allowance of \$265,208 and \$328,307 in 2009 and 2008, respectively	11,547,727	9,739,008
Current portion of long-term receivables	340,333	197,351
Inventories	6,979,759	8,086,956
Prepaid expenses and other current assets	3,149,122	2,966,510
Total current assets	34,029,600	51,345,482
Property and equipment, net	5,106,215	6,420,600
Intangible assets, net	1,177,778	1,277,778
Long-term receivables	142,723	298,123
Other assets	27,162	98,382
Total assets	\$ 40,483,478	\$ 59,440,365
Liabilities and stockholders' equity		
Current liabilities:		
Short-term debt and current maturities of long-term debt	\$ 8,734,824	\$ 3,901,491
Accounts payable	4,084,037	4,561,928
Accrued liabilities	7,962,313	9,873,818
Deferred contract revenue	6,895,840	9,676,339
Warrants	4,988,084	
Total current liabilities	32,665,098	28,013,576
Long-term debt, less current maturities	22,057,304	25,271,547
Long-term deferred contract revenue	1,014,592	1,225,656
Other liabilities	12,963	158,905
Stockholders' equity:		
Preferred stock, par value \$0.001; 10,000,000 shares authorized at 2009 and 2008, none outstanding at 2009 and 2008		
Common stock, par value \$0.001; 100,000,000 shares authorized at 2009 and 2008, 42,783,451 and 42,049,792 shares issued at 2009 and 2008, respectively	42,783	42,050
Additional paid in capital	301,638,671	300,892,957
Treasury stock, 40,151 shares at 2009 and 2008	(205,999)	(205,999)
Accumulated deficit	(316,741,934)	(295,958,327)
Total stockholders' equity (deficit)	(15,266,479)	4,770,681
Total liabilities and stockholders' equity	\$ 40,483,478	\$ 59,440,365

See accompanying notes.

Table of Contents**STEREOTAXIS, INC.****STATEMENTS OF OPERATIONS****(Unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Revenue:				
Systems	\$ 8,671,302	\$ 7,365,480	\$ 23,694,613	\$ 19,641,188
Disposables, service and accessories	4,619,391	3,186,169	13,373,484	8,597,503
Total revenue	13,290,693	10,551,649	37,068,097	28,238,691
Cost of revenue:				
Systems	3,474,492	3,098,477	9,250,005	8,822,745
Disposables, service and accessories	811,089	543,071	3,162,142	1,427,501
Total cost of revenue	4,285,581	3,641,548	12,412,147	10,250,246
Gross margin	9,005,112	6,910,101	24,655,950	17,988,445
Operating expenses:				
Research and development	3,302,008	4,380,466	10,247,877	13,861,339
Sales and marketing	6,290,814	7,012,264	21,424,796	23,297,003
General and administrative	3,654,207	4,719,779	11,006,981	15,458,115
Total operating expenses	13,247,029	16,112,509	42,679,654	52,616,457
Operating loss	(4,241,917)	(9,202,408)	(18,023,704)	(34,628,012)
Other income (expense)	(489,139)		66,507	
Interest income	2,721	33,711	34,069	165,665
Interest expense	(1,085,408)	(904,428)	(2,860,479)	(1,931,606)
Net loss	\$ (5,813,743)	\$ (10,073,125)	\$ (20,783,607)	\$ (36,393,953)
Net loss per common share:				
Basic and diluted	\$ (0.14)	\$ (0.28)	\$ (0.50)	\$ (1.00)
Weighted average shares used in computing net loss per common share:				
Basic and diluted	41,988,251	36,612,877	41,649,094	36,541,593

See accompanying notes.

Table of Contents**STEREOTAXIS, INC.****STATEMENTS OF CASH FLOWS****(Unaudited)**

	Nine Months Ended September 30,	
	2009	2008
Cash flows from operating activities		
Net loss	\$ (20,783,607)	\$ (36,393,953)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation	1,628,909	1,690,814
Amortization	100,000	81,898
Amortization of warrants	1,174,882	668,704
Share-based compensation	3,658,620	4,309,466
Loss on asset disposal	551,559	4,188
Impairment charge	338,821	31,598
Non-cash expense net of non-cash royalty (income)	(1,306,530)	1,497,765
Warrant adjustment	(66,507)	
Changes in operating assets and liabilities:		
Accounts receivable	(1,808,719)	76,022
Other receivables	12,418	(95,092)
Inventories	1,275,199	1,604,870
Prepaid expenses and other current assets	749,058	(524,427)
Other assets	71,220	181,649
Accounts payable	(477,891)	(270,822)
Accrued liabilities	(1,519,652)	(2,888,122)
Deferred revenue	(2,991,563)	4,953,905
Other liabilities	(145,942)	(161,916)
Net cash used in operating activities	(19,539,725)	(25,233,453)
Cash flows from investing activities		
Purchase of equipment	(1,372,906)	(540,914)
Proceeds from the maturity/sale of available-for-sale investments		6,150,000
Net cash provided by (used in) investing activities	(1,372,906)	5,609,086
Cash flows from financing activities		
Proceeds from long-term debt	3,000,000	24,000,000
Payments of long-term debt	(499,998)	(2,515,176)
Proceeds from issuance of stock and warrants, net of issuance costs	69,631	902,330
Net cash provided by financing activities	2,569,633	22,387,154
Net (decrease) increase in cash and cash equivalents	(18,342,998)	2,762,787
Cash and cash equivalents at beginning of period	30,355,657	17,022,200
Cash and cash equivalents at end of period	\$ 12,012,659	\$ 19,784,987