

Edgar Filing: CORCEPT THERAPEUTICS INC - Form 10-Q

149 Commonwealth Drive

Menlo Park, CA 94025

(Address of principal executive offices, including zip code)

(650) 327-3270

(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 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, 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

On October 30, 2018, there were 115,471,798 shares of common stock outstanding at a par value of \$0.001 per share.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS
CORCEPT THERAPEUTICS INCORPORATED

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except per share data)

	September 30, 2018 (Unaudited)	December 31, 2017 (See Note 1)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 33,894	\$ 31,062
Short-term marketable securities	161,300	57,682
Trade receivables, net of allowances	19,360	15,300
Other receivable	—	12,896
Inventory	5,362	4,576
Prepaid expenses and other current assets	4,275	2,669
Total current assets	224,191	124,185
Strategic inventory	7,360	3,800
Property and equipment, net of accumulated depreciation	540	518
Long-term marketable securities	1,481	15,281
Other assets	53	50
Deferred tax assets, net	66,126	76,703
Total assets	\$ 299,751	\$ 220,537
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 13,922	\$ 8,579
Accrued clinical expenses	5,392	2,247
Other accrued liabilities	20,892	18,743
Total current liabilities	40,206	29,569
Commitments and contingencies (Note 5)		
Stockholders' equity:		
Preferred stock	—	—
Common stock	116	115
Additional paid-in capital	408,154	384,074
Treasury stock	(8,904)	—
Accumulated other comprehensive loss	(77)	(75)
Accumulated deficit	(139,744)	(193,146)
Total stockholders' equity	259,545	190,968
Total liabilities and stockholders' equity	\$ 299,751	\$ 220,537

The accompanying notes are an integral part of these condensed consolidated financial statements.

CORCEPT THERAPEUTICS INCORPORATED

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

(In thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Product revenue, net	\$64,445	\$42,763	\$184,416	\$105,921
Operating expenses:				
Cost of sales	1,308	976	3,636	2,397
Research and development	18,860	11,693	56,453	26,745
Selling, general and administrative	21,308	16,471	59,729	45,621
Total operating expenses	41,476	29,140	119,818	74,763
Income from operations	22,969	13,623	64,598	31,158
Interest and other income (expense)	759	86	1,615	(237)
Income before income taxes	23,728	13,709	66,213	30,921
Income tax (expense) benefit	(5,981)	48	(12,811)	(129)
Net income	\$17,747	\$13,757	\$53,402	\$30,792
Other comprehensive income (loss):				
Net unrealized income (loss) on available-for-sale investments, net of tax impact of \$(16), \$0, \$25 and \$0, respectively	50	3	(77)	(14)
Total comprehensive income	\$17,797	\$13,760	\$53,325	\$30,778
Basic net income per share	\$0.15	\$0.12	\$0.46	\$0.27
Diluted net income per share	\$0.14	\$0.11	\$0.42	\$0.25
Weighted-average shares outstanding used in computing net income per share				
Basic	115,798	113,603	115,394	113,242
Diluted	126,159	125,651	127,167	123,417

The accompanying notes are an integral part of these condensed consolidated financial statements.

CORCEPT THERAPEUTICS INCORPORATED

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(In thousands)

	Nine Months Ended September 30,	
	2018	2017
Cash flows from operating activities:		
Net income	\$53,402	\$30,792
Adjustments to reconcile net income to net cash generated from operations:		
Stock-based compensation	17,481	9,529
Deferred income taxes	10,602	—
Accretion of interest (income) expense	(1,020)	456
Amortization of debt financing costs	—	14
Depreciation and amortization of property and equipment	163	58
Changes in operating assets and liabilities:		
Trade receivables	(4,060)	(2,012)
Other receivable	12,896	(12,965)
Inventory	(4,346)	(344)
Prepaid expenses and other current assets	(1,606)	(1,122)
Other assets	(3)	—
Accounts payable	5,343	3,922
Accrued clinical expenses	3,145	425
Other accrued liabilities	2,149	7,299