

ORASURE TECHNOLOGIES INC
Form 10-Q
May 09, 2018

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 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 001-16537

ORASURE TECHNOLOGIES, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware 36-4370966
(State or Other Jurisdiction of (IRS Employer Identification No.)

Incorporation or Organization)

220 East First Street, Bethlehem, Pennsylvania 18015
(Address of Principal Executive Offices) (Zip code)

(610) 882-1820

(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, 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 (Do not check if a smaller reporting company) 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 checkmark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Number of shares of Common Stock, par value \$.000001 per share, outstanding as of May 2, 2018: 61,063,828 shares.

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Item 1. FINANCIAL STATEMENTS

ORASURE TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Unaudited)

(in thousands, except per share amounts)

	March 31, 2018	December 31, 2017
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$64,042	\$71,029
Restricted cash	23	1,840
Short-term investments	79,446	83,028
Accounts receivable, net of allowance for doubtful accounts of \$351 and \$471	28,197	42,521
Inventories	20,907	19,343
Prepaid expenses	2,213	1,658
Other current assets	1,926	2,486
Total current assets	196,754	221,905
PROPERTY AND EQUIPMENT, net	22,975	21,372
INTANGIBLE ASSETS, net	7,390	8,223
GOODWILL	19,584	20,083
LONG TERM INVESTMENTS	34,880	20,690
OTHER ASSETS	4,340	3,928
	\$285,923	\$296,201
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$9,622	\$10,228
Deferred revenue	1,799	1,314
Accrued expenses	9,765	20,695
Total current liabilities	21,186	32,237
OTHER LIABILITIES	4,258	3,932
DEFERRED INCOME TAXES	1,761	1,951
COMMITMENTS AND CONTINGENCIES (Note 8)		
STOCKHOLDERS' EQUITY		
Preferred stock, par value \$.000001, 25,000 shares authorized, none issued	—	—
Common stock, par value \$.000001, 120,000 shares authorized, 61,053 and 60,662 shares		
issued and outstanding	—	—
Additional paid-in capital	393,429	387,931
Accumulated other comprehensive loss	(13,006)	(10,340)
Accumulated deficit	(121,705)	(119,510)
Total stockholders' equity	258,718	258,081
	\$285,923	\$296,201

See accompanying notes to the consolidated financial statements.

ORASURE TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(in thousands, except per share amounts)

	Three Months Ended March 31,	
	2018	2017
NET REVENUES:		
Product	\$38,318	\$31,482
Other	3,669	1,064
	41,987	32,546
COST OF PRODUCTS SOLD	17,520	12,236
Gross profit	24,467	20,310
OPERATING EXPENSES:		
Research and development	4,075	2,970
Sales and marketing	7,499	6,877
General and administrative	13,391	7,092
Gain on litigation settlement	-	(12,500)
	24,965	4,439
Operating income (loss)	(498)	15,871
OTHER INCOME	412	467
Income (loss) before income taxes	(86)	16,338
INCOME TAX EXPENSE	2,033	3,897
NET INCOME (LOSS)	\$(2,119)	\$12,441
EARNINGS (LOSS) PER SHARE:		
BASIC	\$(0.03)	\$0.22
DILUTED	\$(0.03)	\$0.21
SHARES USED IN COMPUTING EARNINGS (LOSS) PER SHARE:		
BASIC	60,865	56,929
DILUTED	60,865	