

ENZO BIOCHEM INC
Form 10-Q
December 10, 2009

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 October 31, 2009

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 001-09974

**ENZO
BIOCHEM,
INC.**

(Exact name of registrant as specified in its charter)

New York

13-2866202

(State or Other Jurisdiction of Incorporation or Organization)

(IRS. Employer Identification No.)

527 Madison Ave, New York, New York

10022

(Address of Principal Executive office)

(Zip Code)

212-583-0100

(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 has required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

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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 45 of Regulation S-T (§232.405 of that chapter) during the preceding 12 months (or 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, or a non-accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Large accelerated filer Accelerated filer Non-accelerated filer 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

As of December 1, 2009 the Registrant had approximately 37,858,000 shares of common stock outstanding.

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ENZO BIOCHEM, INC.
FORM 10-Q
October 31, 2009

INDEX

PART I - FINANCIAL INFORMATION

<u>Item 1.</u>	<u>Financial Statements</u>	
	<u>Consolidated Balance Sheets - October 31, 2009 (unaudited) and July 31, 2009 (audited)</u>	3
	<u>Consolidated Statements of Operations for the three months ended October 31, 2009 and 2008 (unaudited)</u>	4
	<u>Consolidated Statement of Stockholders' Equity and Comprehensive Loss for the three months ended October 31, 2009 (unaudited)</u>	5
	<u>Consolidated Statements of Cash Flows for the three months ended October 31, 2009 and 2008 (unaudited)</u>	6
	<u>Notes to Consolidated Financial Statements</u>	7
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	17
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	29
<u>Item 4.</u>	<u>Controls and Procedures</u>	30

Part II - OTHER INFORMATION

<u>Item 1.</u>	<u>Legal Proceedings</u>	30
<u>Item 1A.</u>	<u>Risk Factors</u>	30
<u>Item 6.</u>	<u>Exhibits</u>	30
<u>Signatures</u>		31

Part 1 Financial Information
Item 1 Financial Statements

ENZO BIOCHEM, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	October 31, 2009 (unaudited)	July 31, 2009 (audited)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 6,074	\$ 6,929
Short term investments	40,308	43,306
Accounts receivable, net of allowances	13,699	12,480
Inventories	9,686	9,264
Prepaid expenses and other	2,661	2,482
	72,428	74,461
Total current assets		
Property, plant and equipment, net	11,824	11,323
Goodwill	25,166	24,896
Intangible assets, net	21,953	22,009
Other	389	439
	131,760	133,128
Total assets	\$ 131,760	\$ 133,128
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Accounts payable trade	\$ 4,098	\$ 4,242
Accrued liabilities	8,150	8,426
Other current liabilities	794	1,062
Deferred taxes	210	213
	13,252	13,943
Total current liabilities		
Deferred revenue		38
Deferred taxes	2,328	2,366
Commitments and contingencies		
Stockholders equity:		
Preferred Stock, \$.01 par value; authorized 25,000,000 shares; no shares issued or outstanding		
Common Stock, \$.01 par value; authorized 75,000,000 shares; shares issued: 38,592,705 at October 31, 2009 and 38,589,880 at July 31, 2009	386	386
Additional paid-in capital	306,602	306,280
Less treasury stock at cost: 735,554 shares at October 31, 2009 and at July 31, 2009	(10,440)	(10,440)
Accumulated deficit	(181,535)	(179,721)
Accumulated other comprehensive income	1,167	276
	116,180	116,781
Total stockholders equity		
Total liabilities and stockholders equity	\$ 131,760	\$ 133,128

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

ENZO BIOCHEM, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)
(in thousands, except per share data)

	Three Months Ended October 31,	
	2009	2008
Revenues:		
Product revenues	\$ 10,744	\$ 9,976
Royalty and license fee income	3,311	2,916
Clinical laboratory services	11,110	8,172
	<u>25,165</u>	<u>21,064</u>
Operating expenses:		
Cost of product revenues	5,055	6,805
Cost of clinical laboratory services	6,781	6,091
Research and development expense	2,444	2,003
Selling, general, and administrative expense	11,580	9,190
Provision for uncollectible accounts receivable	912	1,859
Legal expense	256	1,210
	<u>27,028</u>	<u>27,158</u>
Operating loss	(1,863)	(6,094)
Other income (expense)		
Interest income	9	410
Other income	19	34
Foreign currency loss	(58)	(582)
	<u>(1,893)</u>	<u>(6,232)</u>
Loss before income taxes	(1,893)	(6,232)
Benefit (provision) for income taxes	79	(138)
	<u>(1,814)</u>	<u>(6,370)</u>
Net loss	\$ (1,814)	\$ (6,370)
Net loss per common share:		
Basic	\$ (0.05)	\$ (0.17)
Diluted	\$ (0.05)	\$ (0.17)
Weighted average common shares outstanding:		
Basic	37,855	37,337
Diluted	37,855	37,337

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

ENZO BIOCHEM, INC
CONSOLIDATED STATEMENT OF STOCKHOLDERS EQUITY
AND COMPREHENSIVE LOSS
Three months ended October 31, 2009
(UNAUDITED)
(In thousands, except share data)

	<u>Common Stock Shares</u>	<u>Treasury Stock Shares</u>	<u>Common Stock Amount</u>	<u>Additional Paid-in Capital</u>	<u>Treasury Stock Amount</u>	<u>Accumulated Deficit</u>	<u>Accumulated Other Comprehensive Income</u>	<u>Total Stockholders Equity</u>	<u>Comprehensive Loss</u>
Balance at July 31, 2009	38,589,880	735,554	\$ 386	\$ 306,280	\$ (10,440)	\$ (179,721)	\$ 276	\$ 116,781	
Net loss for the period ended October 31, 2009						(1,814)		(1,814)	\$ (1,814)
Vesting of restricted stock	2,825								
Stock based compensation charges				322				322	
Foreign currency translation adjustments							891	891	891
Comprehensive loss									\$ (923)
Balance at October 31, 2009	38,592,705	735,554	\$ 386	\$ 306,602	\$ (10,440)	\$ (181,535)	\$ 1,167	\$ 116,180	

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

ENZO BIOCHEM, INC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(in thousands)

	Three Months Ended	
	October 31, 2009	2008
Cash flows from operating activities:		
Net loss	\$ (1,814)	\$ (6,370)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization of property, plant and equipment	529	494
Amortization of intangible assets	414	260
Provision for uncollectible accounts receivable	912	1,859
Write off and/or reserve taken for obsolete inventory	174	62
Income tax benefit	(119)	(105)
Share based compensation charges	322	394
Deferred revenue recognized	(113)	(122)
Foreign currency loss on intercompany loan	16	582
Changes in operating assets and liabilities:		
Accounts receivable	(2,078)	664
Inventories	(487)	410
Prepaid expenses	(171)	724
Accounts payable trade	(99)	(1,059)
Accrued liabilities	(141)	779
Other current liabilities	(193)	(37)
Total adjustments	(1,034)	4,905
Net cash used in operating activities	(2,848)	(1,465)