

TherapeuticsMD, Inc.
Form 10-Q
July 30, 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 June 30, 2018

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

For the transition period from _____ to _____

Commission File No. **001-001000**

THERAPEUTICSMD, INC.

(Exact Name of Registrant as Specified in Its Charter)

Nevada

(State or Other Jurisdiction of Incorporation or Organization)

87-0233535

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

6800 Broken Sound Parkway NW, Third Floor, Boca Raton, FL 33487 **(561) 961-1900**

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(Address of Principal Executive Offices)

(Issuer's Telephone Number)

N/A

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

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, 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 (Check one):

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

The number of shares outstanding of the registrant's common stock, par value \$0.001 per share, as of July 23, 2018 was 216,834,059.

THERAPEUTICSMMD, INC. AND SUBSIDIARIES

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THERAPEUTICSMMD, INC. AND SUBSIDIARIES**CONSOLIDATED BALANCE SHEETS****PART I - FINANCIAL INFORMATION****Item 1. Financial Statements**

	June 30, 2018 (Unaudited)	December 31, 2017
ASSETS		
Current Assets:		
Cash	\$ 154,386,930	\$ 127,135,628
Accounts receivable, net of allowance for doubtful accounts of \$418,604 and \$380,580, respectively	5,625,987	4,328,802
Inventory	1,880,577	1,485,358
Other current assets	5,203,734	6,604,284
Total current assets	167,097,228	139,554,072
Fixed assets, net	403,574	437,055
Other Assets:		
Intangible assets, net	3,488,401	3,099,747
Prepaid expenses-long term	759,229	—
Security deposit	150,522	139,036
Total other assets	4,398,152	3,238,783
Total assets	\$ 171,898,954	\$ 143,229,910
LIABILITIES AND STOCKHOLDERS EQUITY		
Current Liabilities:		
Accounts payable	\$ 11,427,160	\$ 4,097,600
Accrued expenses and other current liabilities	9,785,210	9,223,595
Total current liabilities	21,212,370	13,321,195
Long-term Liabilities:		
Long-term debt	73,141,311	—
Total long-term liabilities	73,141,311	—
Total liabilities	94,353,681	13,321,195

Commitments and Contingencies - See Note 15

Stockholders' Equity:

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Preferred stock - par value \$0.001; 10,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock - par value \$0.001; 350,000,000 shares authorized: 216,834,059 and 216,429,642 issued and outstanding, respectively	216,834	216,430
Additional paid-in capital	521,608,436	516,351,405
Accumulated deficit	(444,279,997)	(386,659,120)
Total stockholders' equity	77,545,273	129,908,715
Total liabilities and stockholders' equity	\$ 171,898,954	\$ 143,229,910

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

THERAPEUTICSMD, INC. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF OPERATIONS****(Unaudited)**

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2018	2017	2018	2017
Revenues, net	\$3,763,010	\$4,250,433	\$7,536,402	\$8,235,897
Cost of goods sold	454,161	681,725	1,087,784	1,341,360
Gross profit	3,308,849	3,568,708	6,448,618	6,894,537
Operating expenses:				
Sales, general, and administration	29,466,770	14,628,927	50,224,007	31,466,544
Research and development	6,798,380	8,716,395	13,837,677	16,441,235
Depreciation and amortization	65,603	53,189	125,224	102,888
Total operating expense	36,330,753	23,398,511	64,186,908	48,010,667
Operating loss	(33,021,904)	(19,829,803)	(57,738,290)	(41,116,130)
Other income (expense):				
Miscellaneous income	334,238	149,054	648,795	275,022
Accreted interest	—	3,832	—	7,699
Interest expense	(531,382)	—	(531,382)	—
Total other (expense) income	(197,144)	152,886	117,413	282,721
Loss before taxes	(33,219,048)	(19,676,917)	(57,620,877)	(40,833,409)
Provision for income taxes	—	—	—	—
Net loss	\$(33,219,048)	\$(19,676,917)	\$(57,620,877)	\$(40,833,409)
Net loss per share, basic and diluted	\$(0.15)	\$(0.10)	\$(0.27)	\$(0.20)
Weighted average number of common shares outstanding	216,640,186	203,384,610	216,583,067	200,602,778

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

THERAPEUTICSMD, INC. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF CASH FLOWS****(Unaudited)**

	Six Months Ended	
	June 30, 2018	June 30, 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$(57,620,877)	\$(40,833,409)
Adjustments to reconcile net loss to net cash flows used in operating activities:		
Depreciation of fixed assets	79,201	69,000
Amortization of intangible assets	46,023	33,888
Provision for (recovery of) doubtful accounts	38,024	(18,106)
Share-based compensation	4,128,440	3,051,357
Amortization of deferred financing costs	30,155	—
Changes in operating assets and liabilities:		
Accounts receivable	(1,335,209)	1,122,386
Inventory	(395,219)	(337,694)
Other current assets	2,539,394	(58,601)
Accounts payable	7,329,560	749,520
Accrued interest	501,227	—
Accrued expenses and other current liabilities	60,388	(2,443,867)
Net cash used in operating activities	(44,598,893)	(38,665,526)
CASH FLOWS FROM INVESTING ACTIVITIES		
Patent costs	(434,677)	(367,602)
Purchase of fixed assets	(45,720)	(35,849)
Payment of security deposit	(11,486)	—
Net cash used in investing activities	(491,883)	(403,451)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from term loan	75,000,000	—
Payment of deferred financing fees	(3,786,918)	—
Proceeds from exercise of options	1,128,996	212,360
Proceeds from exercise of warrants	—	3,798,999
Net cash provided by financing activities	72,342,078	4,011,359