

TANDEM DIABETES CARE INC
Form 10-Q
April 30, 2015

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 March 31, 2015

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 001-36189

Tandem Diabetes Care, Inc.

(Exact name of registrant as specified in its charter)

Delaware	20-4327508
(State or other jurisdiction of	(I.R.S. Employer
incorporation or organization)	Identification No.)
11045 Roselle Street	
San Diego, California	92121
(Address of principal executive offices)	(Zip Code)

(858) 366-6900

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Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Exchange on Which Registered
Common Stock, par value \$0.001 per share	The NASDAQ Stock Market LLC

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. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting 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

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 April 27, 2015, there were 29,801,681 shares of the registrant's Common Stock outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

TANDEM DIABETES CARE, INC.

CONDENSED BALANCE SHEETS

(In thousands except par values)

	March 31, 2015 (Unaudited)	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 62,549	\$ 31,176
Restricted cash	2,000	2,000
Short-term investments	53,834	36,106
Accounts receivable, net	5,226	7,652
Inventory, net	13,581	11,913
Prepaid and other current assets	1,960	1,904
Total current assets	139,150	90,751
Property and equipment, net	12,928	12,581
Patents, net	2,355	2,441
Other long term assets	692	691
Total assets	\$ 155,125	\$ 106,464
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 4,087	\$ 1,949
Accrued expense	2,586	2,920
Employee-related liabilities	8,789	9,722
Deferred revenue	803	840
Other current liabilities	2,505	2,663
Total current liabilities	18,770	18,094
Notes payable—long-term	29,459	29,440
Deferred rent—long-term	2,546	2,700
Other long-term liabilities	2,102	1,658
Total liabilities	52,877	51,892
Commitments and contingencies		
Common stock, \$0.001 par value; 100,000 shares authorized, 29,780 and 23,655 shares issued and outstanding at March 31, 2015 (unaudited) and December 31, 2014, respectively.	30	24
Additional paid-in capital	372,102	303,255
Accumulated other comprehensive income	39	8
Accumulated deficit	(269,923)	(248,715)

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Total stockholders' equity	102,248	54,572
Total liabilities and stockholders' equity	\$ 155,125	\$ 106,464

See accompanying notes to unaudited condensed financial statements.

TANDEM DIABETES CARE, INC.

CONDENSED STATEMENTS OF OPERATIONS and comprehensive loss

(Unaudited)

(In thousands, except per share data)

	Three Months Ended March 31,	
	2015	2014
Sales	\$12,308	\$8,065
Cost of sales	9,500	7,199
Gross profit	2,808	866
Operating expenses:		
Selling, general and administrative	19,355	18,041
Research and development	3,863	3,663
Total operating expenses	23,218	21,704
Operating loss	(20,410)	(20,838)
Other income (expense), net:		
Interest and other income	99	18
Interest and other expense	(897)	(1,142)
Total other income (expense), net	(798)	(1,124)
Net loss	\$(21,208)	\$(21,962)
Other Comprehensive Loss:		
Unrealized gain on short-term investments	\$39	\$14
Comprehensive loss	\$(21,169)	\$(21,948)
Net loss per share, basic and diluted	\$(0.83)	\$(0.96)
Weighted average shares used to compute basic and diluted net loss per share	25,522	22,936

See accompanying notes to unaudited condensed financial statements.

TANDEM DIABETES CARE, INC.

CONDENSED STATEMENTS OF CASH FLOWS

(Unaudited)

(In thousands)

	Three Months Ended March 31,	
	2015	2014
Operating activities		
Net loss	\$(21,208)	\$(21,962)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	1,182	