

Penumbra Inc  
Form 10-Q  
November 12, 2015

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 September 30, 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: 001-37557

Penumbra, Inc.  
(Exact Name of Registrant as Specified in Its Charter)

Delaware  
(State or Other Jurisdiction of  
Incorporation or Organization)

05-0605598  
(I.R.S. Employer  
Identification No.)

One Penumbra Place  
1351 Harbor Bay Parkway  
Alameda, CA 94502  
(Address of principal executive offices and zip code)

(510) 748-3200  
(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. See definition 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:

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As of October 31, 2015, the registrant had 29,889,955 shares of common stock, par value \$0.001 per share, outstanding.

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Table of Contents

Penumbra, Inc.  
 FORM 10-Q  
 TABLE OF CONTENTS

	Page
<u>PART I. FINANCIAL INFORMATION</u>	
<u>Item 1.</u> <u>Condensed Consolidated Financial Statements (Unaudited)</u>	<u>2</u>
<u>Condensed Consolidated Balance Sheets as of September 30, 2015 and December 31, 2014</u>	<u>2</u>
<u>Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) for the three and nine months ended September 30, 2015 and 2014</u>	<u>3</u>
<u>Condensed Consolidated Statement of Convertible Preferred Stock and Stockholders' Equity (Deficit) for the nine months ended September 30, 2015</u>	<u>4</u>
<u>Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2015 and 2014</u>	<u>5</u>
<u>Notes to Condensed Consolidated Financial Statements</u>	<u>6</u>
<u>Item 2.</u> <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>24</u>
<u>Item 3.</u> <u>Quantitative and Qualitative Disclosure about Market Risk</u>	<u>34</u>
<u>Item 4.</u> <u>Controls and Procedures</u>	<u>35</u>
<u>PART II. OTHER INFORMATION</u>	
<u>Item 1.</u> <u>Legal Proceedings</u>	<u>36</u>
<u>Item 1A.</u> <u>Risk Factors</u>	<u>36</u>
<u>Item 2.</u> <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>37</u>
<u>Item 6.</u> <u>Exhibits</u>	<u>38</u>

Signatures

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Table of Contents

## PART I - FINANCIAL INFORMATION

## ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

Penumbra, Inc.

Condensed Consolidated Balance Sheets

(unaudited)

(in thousands, except share and per share amounts)

	September 30, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 159,098	\$ 3,290
Marketable investments	—	48,253
Accounts receivable, net of doubtful accounts of \$494 and \$602	26,055	18,912
Inventories	50,324	33,451
Deferred taxes	7,333	6,280
Prepaid expenses and other current assets	6,267	5,115
Total current assets	249,077	115,301
Property and equipment, net	8,646	5,181
Deferred taxes	1,309	571
Other non-current assets	293	328
Total assets	\$ 259,325	\$ 121,381
Liabilities, Convertible Preferred Stock and Stockholders' Equity (Deficit)		
Current Liabilities:		
Accounts payable	\$ 4,024	\$ 2,348
Accrued liabilities	24,253	18,475
Total current liabilities	28,277	20,823
Other non-current liabilities	2,458	1,461
Total liabilities	30,735	22,284
Commitments and contingencies (Note 8)		
Convertible preferred stock, \$0.001 par value per share—none authorized, issued and outstanding at September 30, 2015; 25,000,000 shares authorized, 19,510,410 shares issued and outstanding at December 31, 2014; aggregate liquidation value \$149,361 at December 31, 2014	—	111,467
Stockholders' Equity (Deficit):		
Preferred stock, \$0.001 par value per share—5,000,000 shares authorized, none issued and outstanding at September 30, 2015; None authorized, issued and outstanding at December 31, 2014	—	—
Common stock, \$0.001 par value per share—300,000,000 shares authorized, 29,882,621 issued and outstanding at September 30, 2015; 40,000,000 shares authorized, 4,736,689 issued and outstanding at December 31, 2014	30	5
Additional paid-in capital	249,230	8,446
Notes receivable from stockholders	(26	) (117
Accumulated other comprehensive loss	(1,536	) (864
Accumulated deficit	(19,108	) (19,840
Total stockholders' equity (deficit)	228,590	(12,370
Total liabilities, convertible preferred stock and stockholders' equity (deficit)	\$ 259,325	\$ 121,381
See accompanying notes to the unaudited condensed consolidated financial statements		



Table of Contents

Penumbra, Inc.

Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)

(unaudited)

(in thousands, except share and per share amounts)

	Three Months Ended September		Nine Months Ended September	
	30,		30,	
	2015	2014	2015	2014
Revenue	\$50,416	\$32,464	\$131,679	\$90,107
Cost of revenue	16,919	11,667	44,079	31,156
Gross profit	33,497	20,797	87,600	58,951
Operating expenses:				
Research and development	4,560	3,897	12,543	11,435
Sales, general and administrative	26,755	16,589	72,698	44,829
Total operating expenses	31,315	20,486	85,241	56,264
Income from operations	2,182	311	2,359	2,687
Interest income (expense), net	17	144	402	183
Other income (expense), net	(115	) (56	) (613	) (148
Income before provision for income taxes	2,084	399	2,148	2,722
Provision for income taxes	1,183	227		