

Corium International, Inc.
Form 10-Q
August 12, 2016
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2016

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: 001-36375

Corium International, Inc.

(Exact name of registrant as specified in its charter)

Delaware

38-3230774

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(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification Number)

Corium International, Inc.
235 Constitution Drive
Menlo Park, California 94025

(Address of principal executive offices and zip code)

(650) 298-8255

(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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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 Act). Yes No

As of August 9, 2016, there were approximately 22,359,011 shares of the Registrant's Common Stock outstanding.

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PART I

ITEM 1. FINANCIAL STATEMENTS

CORIUM INTERNATIONAL, INC.

CONDENSED BALANCE SHEETS

(in thousands, except share amounts)

(Unaudited)

	As of June 30, 2016	As of September 30, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 47,394	\$ 72,218
Accounts receivable	4,091	4,461
Unbilled accounts receivable	517	812
Inventories, net	2,830	2,902
Prepaid expenses and other current assets	1,459	1,367
Total current assets	56,291	81,760
Restricted cash	666	—
Property and equipment, net	11,139	11,593
Debt financing costs, net	599	554
Intangible assets, net	7,072	6,837
TOTAL ASSETS	\$ 75,767	\$ 100,744
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 3,071	\$ 3,952
Accrued expenses and other current liabilities	3,895	4,091
Long-term debt, current portion	69	57
Capital lease obligations, current portion	285	820
Recall liability, current portion	460	760
Deferred contract revenues, current portion	292	134
Total current liabilities	8,072	9,814
Long-term debt, net of current portion	51,080	49,807
Capital lease obligations, net of current portion	—	72
Recall liability, net of current portion	1,971	2,229

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Deferred contract revenues, net of current portion	3,500	3,500
Total liabilities	64,623	65,422
Commitments and contingencies		
Stockholders' equity:		
Common stock, par value of \$0.001 per share, 150,000,000 shares authorized; 22,359,011 and 22,160,991 shares issued and outstanding as of June 30, 2016 and September 30, 2015	22	22
Additional paid-in capital	169,283	166,085
Accumulated deficit	(158,161)	(130,785)
Total stockholders' equity	11,144	35,322
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 75,767	\$ 100,744

See accompanying notes to condensed financial statements.

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CORIUM INTERNATIONAL, INC.

CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(in thousands, except share and per share data)

(Unaudited)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2016	2015	2016	2015
Revenues:				
Product revenues	\$ 7,264	\$ 6,296	\$ 18,930	\$ 20,467
Contract research and development revenues	1,983	3,505	4,228	9,798
Other revenues	1,359	797	1,947	1,390
Total revenues	10,606	10,598	25,105	31,655
Costs and operating expenses:				
Cost of product revenues	4,626	4,063	12,924	13,369
Cost of contract research and development revenues	2,742	4,065	8,601	12,292
Research and development expenses	5,516	3,493	15,566	11,670
General and administrative expenses	3,116	2,835	9,106	8,192
Amortization of intangible assets	168	141	489	464
(Gain) / loss on disposal of equipment	—	(5)	2	2
Total costs and operating expenses	16,168	14,592	46,688	45,989
Loss from operations	(5,562)	(3,994)	(21,583)	(14,334)
Interest income	54	5	142	11
Interest expense	(1,984)	(1,925)	(5,932)	(5,490)
Loss before income taxes	(7,492)	(5,914)	(27,373)	(19,813)
Income tax expense	—	—	3	2
Net loss and comprehensive loss	\$ (7,492)	\$ (5,914)	\$ (27,376)	\$ (19,815)
Net loss per share attributable to common stockholders, basic and diluted	\$ (0.34)	\$ (0.33)	\$ (1.23)	\$ (1.10)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	22,321,581	18,116,021	22,254,849	18,073,879

See accompanying notes to condensed financial statements

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CORIUM INTERNATIONAL, INC.

Condensed Statement of Stockholders' Equity

(in thousands, except share data)

(Unaudited)