

Orthofix Medical Inc.  
Form 10-Q  
August 06, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 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

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: 0-19961

ORTHOFIX MEDICAL INC.

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

98-1340767  
(I.R.S. Employer  
Identification No.)

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3451 Plano Parkway,

Lewisville, Texas 75056  
(Address of principal executive offices) (Zip Code)

(214) 937-2000

(Registrant's telephone number, including area code)

Orthofix International N.V.

7 Abraham de Veerstraat

Curaçao

(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.

Large Accelerated filer

Accelerated filer

Non-Accelerated filer (Do not check if a smaller reporting company) 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

As of August 3, 2018, 18,910,949 shares of common stock were issued and outstanding.

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## Explanatory Note

On July 31, 2018, Orthofix Medical Inc. (previously Orthofix International N.V.) (the “Company,” “we,” “us” and “our”) completed a change in its jurisdiction of organization from Curaçao to the State of Delaware (the “domestication”) in accordance with the conversion procedures of the Curaçao Civil Code and the domestication procedures of Delaware General Corporation Law. In connection with the domestication, the Company changed its name to “Orthofix Medical Inc.” The Company’s shareholders approved a proposal to adopt a shareholders’ resolution authorizing the domestication at the Company’s 2018 Annual General Meeting of Shareholders held on July 17, 2018.

## Forward-Looking Statements

This report contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (“the Exchange Act”), and Section 27A of the Securities Act of 1933, as amended, relating to our business and financial outlook, which are based on our current beliefs, assumptions, expectations, estimates, forecasts and projections. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “projects,” “intends,” “predicts,” “potential,” or “continue” or other terminology. These forward-looking statements are not guarantees of our future performance and involve risks, uncertainties, estimates and assumptions that are difficult to predict, including the risks described Part I, Item 1A under the heading Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2017 (the “2017 Form 10-K”) and other SEC filings. Therefore, our actual outcomes and results may differ materially from those expressed in these forward-looking statements. You should not place undue reliance on any of these forward-looking statements. Further, any forward-looking statement speaks only as of the date hereof, unless it is specifically otherwise stated to be made as of a different date. We undertake no obligation to further update any such statement, or the risk factors described in the 2017 Form 10-K and other SEC filings, to reflect new information, the occurrence of future events or circumstances or otherwise.

## Trademarks

Solely for convenience, our trademarks and trade names in this report are referred to without the ® and ™ symbols, but such references should not be construed as any indicator that we will not assert, to the fullest extent under applicable law, our rights thereto.

## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

## ORTHOFIX MEDICAL INC.

## Condensed Consolidated Balance Sheets

	June 30,	December 31,
(U.S. Dollars, in thousands, except share data)	2018	2017
	(Unaudited)	
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 45,686	\$ 81,157
Accounts receivable, net of allowances of \$8,490 and \$8,405, respectively	74,397	63,437
Inventories	81,730	81,330
Prepaid expenses and other current assets	35,613	25,877
<b>Total current assets</b>	<b>237,426</b>	<b>251,801</b>
Property, plant and equipment, net	44,377	45,139
Intangible assets, net	51,498	10,461
Goodwill	70,747	53,565
Deferred income taxes	30,634	23,315
Other long-term assets	7,082	21,073
<b>Total assets</b>	<b>\$ 441,764</b>	<b>\$ 405,354</b>
<b>Liabilities and shareholders' equity</b>		
<b>Current liabilities</b>		