

CODEXIS INC
Form 10-Q
November 06, 2014

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, 2014

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: 001-34705

Codexis, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

71-0872999
(I.R.S. Employer Identification No.)

200 Penobscot Drive, Redwood City
(Address of principal executive offices)
(650) 421-8100
(Registrant's telephone number, including area code)
(Former name, former address and former fiscal year, if changed since last report)

94063
(Zip 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 Exchange Act). Yes No

As of October 31, 2014, there were 39,549,301 shares of the registrant's Common Stock, par value \$0.0001 per share, outstanding.

Codexis, Inc.
 Quarterly Report on Form 10-Q
 For The Three Months Ended September 30, 2014

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Codexis, Inc.

Condensed Consolidated Balance Sheets

(Unaudited)

(In Thousands, Except Per Share Amounts)

	September 30, 2014	December 31, 2013	
Assets			
Current assets:			
Cash and cash equivalents	\$21,522	\$22,130	
Short-term investments	—	3,005	
Accounts receivable, net of allowances of \$513 at September 30, 2014 and \$460 at December 31, 2013	3,088	5,413	
Inventories, net	1,943	1,487	
Prepaid expenses and other current assets	1,652	1,567	
Assets held for sale	—	2,179	
Total current assets	28,205	35,781	
Restricted cash	711	711	
Marketable securities	1,031	795	
Property and equipment, net	4,374	8,446	
Intangible assets, net	7,029	9,560	
Goodwill	3,241	3,241	
Other non-current assets	201	306	
Total assets	\$44,792	\$58,840	
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable	\$2,542	\$3,961	
Accrued compensation	2,376	3,625	
Other accrued liabilities	2,050	1,612	
Deferred revenue	4,036	2,001	
Total current liabilities	11,004	11,199	
Deferred revenue, net of current portion	4,368	1,114	
Other long-term liabilities	4,213	5,044	
Total liabilities	19,585	17,357	
Commitments and contingencies (note 11)			
Stockholders' equity:			
Preferred stock, \$0.0001 par value; 5,000 shares authorized, none issued and outstanding	—	—	
Common stock, \$0.0001 par value; 100,000 shares authorized at September 30, 2014 and December 31, 2013; 39,510 and 38,351 shares issued and outstanding at September 30, 2014 and December 31, 2013, respectively	4	4	
Additional paid-in capital	301,365	298,370	
Accumulated other comprehensive income (loss)	113	(32)
Accumulated deficit	(276,275)	(256,859
Total stockholders' equity	25,207	41,483)
Total liabilities and stockholders' equity	\$44,792	\$58,840	

See accompanying notes to the unaudited condensed consolidated financial statements

Codexis, Inc.
Condensed Consolidated Statements of Operations
(Unaudited)
(In Thousands, Except Per Share Amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Revenue:				
Biocatalyst product sales	\$2,562	\$1,076	\$8,323	\$15,161
Biocatalyst research and development	3,364	2,028	7,176	4,936
Revenue sharing arrangement	1,546	839	5,617	2,300
Total revenue	7,472	3,943	21,116	22,397
Costs and operating expenses:				
Cost of biocatalyst product sales	1,532	494	6,179	9,790
Research and development	5,038	6,831	17,708	22,776
Selling, general and administrative	5,157	5,832	16,791	21,126
Total costs and operating expenses	11,727	13,157	40,678	53,692
Loss from operations	(4,255) (9,214) (19,562) (31,295
Interest income	3	9	15	53
Other expenses	(57) (22) (183) (288
Loss before income taxes	(4,309) (9,227) (19,730)