

ANIKA THERAPEUTICS INC  
Form 10-Q  
November 06, 2008

## **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 September 30, 2008**

- 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 000-21326**



**Anika Therapeutics, Inc.**

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(Exact Name of Registrant as Specified in Its Charter)

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**Massachusetts**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**04-3145961**  
(I.R.S. Employer Identification No.)

**32 Wiggins Avenue, Bedford, Massachusetts**  
(Address of Principal Executive Offices)

**01730**  
(Zip Code)

Registrant's Telephone Number, Including Area Code: **(781) 457-9000**



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Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report: N/A

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 last 90 days. 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 accelerated filer and large accelerated filer in Rule 12b-2 of the Securities 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 checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

At November 3, 2008, there were 11,382,473 outstanding shares of Common Stock, par value \$.01 per share.

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**PART I: FINANCIAL INFORMATION**

**ITEM 1: FINANCIAL STATEMENTS**



## Anika Therapeutics, Inc. and Subsidiary

## Consolidated Balance Sheets

(unaudited)

	September 30, 2008	December 31, 2007
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 35,368,244	\$ 35,903,569
Short-term investments		3,501,974
Accounts receivable, net of reserves of \$60,000	6,529,709	5,795,973
Inventories	5,040,565	4,390,118
Current portion deferred income taxes	1,657,007	1,657,007
Prepaid expenses and other	332,283	1,194,081
Total current assets	48,927,808	52,442,722
Property and equipment, at cost	41,179,203	28,101,422
Less: accumulated depreciation	(9,852,157)	(8,731,706)
	31,327,046	19,369,716
Long-term deposits and other	561,334	433,081
Intangible asset, net	950,981	995,098
Deferred income taxes	6,524,229	6,256,067
Total Assets	\$ 88,291,398	\$ 79,496,684
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 2,736,450	\$ 4,866,619
Accrued expenses	2,768,668	2,760,010
Deferred revenue	2,813,024	2,806,778
Current portion of long-term debt	600,000	
Income taxes payable	494,067	203,954
Total current liabilities	9,412,209	10,637,361
Other long-term liabilities	729,271	398,365
Long-term deferred revenue	11,475,001	13,500,001
Long-term debt	7,400,000	
Commitments and contingencies (Note 8)		
Stockholders' equity		
Preferred stock, \$.01 par value; 1,250,000 shares authorized, no shares issued and outstanding		
Common stock, \$.01 par value; 30,000,000 shares authorized, 11,353,473 shares issued and outstanding at September 30, 2008, 11,223,273 shares issued and outstanding at December 31, 2007	113,535	112,233
Additional paid-in-capital	42,473,908	40,695,940
Retained earnings	16,687,474	14,152,784
Total stockholders' equity	59,274,917	54,960,957
Total Liabilities and Stockholders' Equity	\$ 88,291,398	\$ 79,496,684

The accompanying notes are an integral part of these unaudited consolidated financial statements.

## Anika Therapeutics, Inc. and Subsidiary

## Consolidated Statements of Operations

(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
Product revenue	\$ 8,523,765	\$ 7,283,129	\$ 24,770,230	\$ 18,989,133
Licensing, milestone and contract revenue	681,250	682,251	2,043,753	2,213,855
Total revenue	9,205,015	7,965,380	26,813,983	21,202,988
Operating expenses:				
Cost of product revenue	3,504,986	3,138,307	10,365,586	8,655,010
Research & development	1,801,561	1,125,826	4,954,520	2,969,218
Selling, general & administrative	2,567,000	1,820,998	8,515,772	5,112,147
Total operating expenses	7,873,547	6,085,131	23,835,878	16,736,375
Income from operations	1,331,468	1,880,249	2,978,105	4,466,613
Interest income, net	130,486	550,014	477,767	1,692,622
Income before income taxes	1,461,954	2,430,263	3,455,872	6,159,235
Provision for income taxes	357,751	634,033	921,182	1,797,377
Net income	\$ 1,104,203	\$ 1,796,230	\$ 2,534,690	\$ 4,361,858
Basic net income per share:				
Net income	\$ 0.10	\$ 0.16	\$ 0.22	\$ 0.40
Basic weighted average common shares outstanding	11,329,422	11,152,686	11,294,928	