

Sientra, Inc.
Form 10-Q
August 13, 2015
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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 June 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 _____

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Commission file number: 001-36709

SIENTRA, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

20-5551000

(I.R.S. Employer Identification No.)

**420 South Fairview Avenue, Suite 200
Santa Barbara, California**

(Address of Principal Executive Offices)

93117

(Zip Code)

(805) 562-3500

(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 Exchange Act). Yes No

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As of August 7, 2015, the number of outstanding shares of the registrant's common stock, par value \$0.01 per share, was 14,986,946.

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SIENTRA, INC.

FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 2015

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Table of Contents**PART I FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****SIENTRA, INC.****Condensed Balance Sheets**

(In thousands, except per share and share amounts)

(Unaudited)

	June 30, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 89,659	\$ 96,729
Accounts receivable, net of allowances of \$10,771 and \$10,330 at June 30, 2015 and December 31, 2014, respectively	6,936	5,198
Inventories, net	19,814	20,174
Prepaid expenses and other current assets	2,427	1,782
Total current assets	118,836	123,883
Property and equipment, net	985	555
Goodwill	14,278	14,278
Other intangible assets, net	83	114
Other assets	231	248
Total assets	\$ 134,413	\$ 139,078
Liabilities and Stockholders Equity		
Current liabilities:		
Current portion of long-term debt	\$ 8,441	\$ 3,757
Accounts payable	2,067	2,589
Accrued and other current liabilities	6,691	5,772
Customer deposits	8,198	8,614
Total current liabilities	25,397	20,732
Long-term debt, net of current portion	17,245	21,671
Warranty reserve and other long-term liabilities	1,334	1,036
Total liabilities	43,976	43,439
Commitments and contingencies (note 10)		
Stockholders equity:		
Preferred stock, \$0.01 par value Authorized 10,000,000 shares; none issued or outstanding		
Common stock, \$0.01 par value Authorized 200,000,000; issued 15,015,423 and 14,985,704 and outstanding 14,942,696 and 14,912,977 shares at June 30, 2015 and December 31, 2014, respectively	150	150
Additional paid-in capital	230,969	229,795
Treasury stock, at cost (72,727 shares at June 30, 2015 and December 31, 2014)	(260)	(260)
Accumulated deficit	(140,422)	(134,046)

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Total stockholders' equity		90,437		95,639
Total liabilities and stockholders' equity	\$	134,413	\$	139,078

See accompanying notes to condensed financial statements.

Table of Contents**SIENTRA, INC.****Condensed Statements of Operations**

(In thousands, except per share and share amounts)

(Unaudited)

	Three Months Ended		Six Months Ended	
	2015	June 30,	2015	June 30,
		2014		2014
Net sales	\$ 14,206	\$ 11,719	\$ 26,640	\$ 21,947
Cost of goods sold	3,937	2,881	7,174	5,455
Gross profit	10,269	8,838	19,466	16,492
Operating expenses:				
Sales and marketing	6,951	6,289	13,805	11,863
Research and development	1,497	1,112	2,753	2,305
General and administrative	3,943	2,641	7,664	4,908
Total operating expenses	12,391	10,042	24,222	19,076
Loss from operations	(2,122)	(1,204)	(4,756)	(2,584)
Other (expense) income, net:				
Interest income	7		7	
Interest expense	(671)	(411)	(1,339)	(842)
Other (expense) income, net:	(206)	1,455	(288)	2,264
Total other (expense) income, net				