

ExOne Co
Form 10-Q
November 08, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 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, 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 No. 001-35806

The ExOne Company

(Exact name of registrant as specified in its charter)

Delaware 46-1684608
(State or other jurisdiction of (I.R.S. Employer

incorporation or organization) Identification No.)

127 Industry Boulevard

North Huntingdon, Pennsylvania 15642

(Address of principal executive offices) (Zip Code)

(724) 863-9663

(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 every Interactive Data File required to be submitted 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 such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a 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	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 November 8, 2018, 16,299,952 shares of common stock, par value \$0.01, were outstanding.

IMPLICATIONS OF BEING AN EMERGING GROWTH COMPANY AND A SMALLER REPORTING COMPANY

Emerging Growth Company

Since our initial public offering, we have continued to qualify as an “emerging growth company” (“EGC”) as defined in the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”). An EGC may take advantage of specified reduced reporting requirements and is relieved of certain other significant requirements that are otherwise generally applicable to public companies.

As an EGC:

We are exempt from the requirement to obtain an attestation and report from our auditors on the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act of 2002;

We are permitted to provide less extensive disclosure about our executive compensation arrangements;

We are not required to give our stockholders non-binding advisory votes on executive compensation or golden parachute arrangements; and

We have elected to use an extended transition period for complying with new or revised accounting standards.

We may choose to take advantage of some, but not all, of these reduced burdens. We will continue to operate under these provisions until December 31, 2018, or such earlier time that we are no longer an EGC. We would cease to be an EGC if we have more than \$1.07 billion in annual revenues, qualify as a “large accelerated filer” under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), which requires us to have more than \$700 million in market value of our common stock held by non-affiliates, or issue more than \$1.0 billion of non-convertible debt over a three-year period.

Smaller Reporting Company

Following the Securities and Exchange Commission’s recent amendment to the definition of “smaller reporting company” in Rule 12b-2 of the Exchange Act, which was effective on September 10, 2018, we qualify as a smaller reporting company and may take advantage of the scaled disclosure requirements applicable to smaller reporting companies effective with the filing of this Quarterly Report on Form 10-Q. Many of the same reduced reporting requirements available to us as an EGC are also available to us as a smaller reporting company, in addition to others. To the extent that we continue to qualify as a smaller reporting company, after we cease to qualify as an EGC, those reduced reporting requirements may continue to be available to us.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

The ExOne Company and Subsidiaries

Condensed Statement of Consolidated Operations and Comprehensive Loss (Unaudited)

(in thousands, except per-share amounts)

	Three Months		Nine Months Ended	
	Ended		September 30,	
	September 30,	September 30,	September 30,	September 30,
	2018	2017	2018	2017
Revenue	\$16,589	\$15,887	\$39,339	\$37,555
Cost of sales	10,016	11,790	28,560	29,829
Gross profit	6,573	4,097	10,779	7,726
Operating expenses				
Research and development	2,444	2,871	8,474	7,219
Selling, general and administrative	5,200	6,062	17,755	18,338
	7,644	8,933	26,229	25,557
Loss from operations	(1,071)	(4,836)	(15,450)	(17,831)
Other (income) expense				
Interest expense	73	24	179	69
Other (income) expense net	(838)	(11)	(936)	134
	(765)	13	(757)	203
Loss before income taxes	(306)	(4,849)	(14,693)	(18,034)
Provision for income taxes				