

LEMAITRE VASCULAR INC

Form 10-Q

November 10, 2010

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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 September 30, 2010

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 001-33092

**LEMAITRE VASCULAR, INC.**

(Exact name of registrant as specified in its charter)

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<b>Delaware</b> (State or other jurisdiction of incorporation or organization)	<b>04-2825458</b> (I.R.S. Employer Identification No.)
<b>63 Second Avenue, Burlington, Massachusetts</b> (Address of principal executive offices)	<b>01803</b> (Zip Code)
<b>(781) 221-2266</b> (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.

Large accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>
Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company <input checked="" type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The registrant had 15,596,962 shares of common stock, \$.01 par value per share, outstanding as of November 8, 2010.

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**LEMAITRE VASCULAR**

**FORM 10-Q**

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**Table of Contents****Part I. Financial Information****Item 1. Financial Statements****LeMaitre Vascular, Inc.****Consolidated Balance Sheets**

	(unaudited) September 30 2010 (in thousands, except share data)	December 31 2009
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 27,453	\$ 23,192
Marketable securities	169	808
Accounts receivable, net of allowances of \$216 at September 30, 2010 and \$159 at December 31, 2009	8,166	7,778
Inventory	6,910	6,498
Prepaid expenses and other current assets	1,458	1,274
Total current assets	44,156	39,550
Property and equipment, net	2,645	2,101
Goodwill	11,022	11,022
Other intangibles, net	2,737	3,316
Other assets	878	917
Total assets	\$ 61,438	\$ 56,906
<b>Liabilities and stockholders equity</b>		
Current liabilities:		
Accounts payable	\$ 1,425	\$ 1,136
Accrued expenses	6,387	5,412
Total current liabilities	7,812	6,548
Long-term debt	156	188
Deferred tax liabilities	1,779	1,546
Other long-term liabilities	391	411
Total liabilities	10,138	8,693
Stockholders equity:		
Preferred stock, \$0.01 par value; authorized 5,000,000 shares; none outstanding		
Common stock, \$0.01 par value; authorized 100,000,000 shares; issued 16,088,045 shares at September 30, 2010, and 15,911,619 shares at December 31, 2009	161	159
Additional paid-in capital	64,281	63,475
Accumulated deficit	(10,547)	(14,596)
Accumulated other comprehensive income (loss)	(361)	94
Treasury stock, at cost; 450,602 shares at September 30, 2010, and 210,938 shares at December 31, 2009	(2,234)	(919)
Total stockholders equity	51,300	48,213

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Total liabilities and stockholders equity	\$ 61,438	\$ 56,906
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See accompanying notes to consolidated financial statements.

**Table of Contents****LeMaitre Vascular, Inc.****Consolidated Statements of Operations****(unaudited)**

	For the three months ended		For the nine months ended	
	September 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
	(in thousands, except per share data)			
Net sales	\$ 13,656	\$ 13,346	\$ 41,629	\$ 37,324
Cost of sales	3,258	3,603	10,257	10,193
<b>Gross profit</b>	<b>10,398</b>	<b>9,743</b>	<b>31,372</b>	<b>27,131</b>
Sales and marketing	4,698	4,508	14,339	12,903
General and administrative	2,533	2,494	7,642	7,431
Research and development	1,135	1,448	4,013	4,194
Restructuring charges				1,777
Impairment charges			68	106
<b>Total operating expenses</b>	<b>8,366</b>	<b>8,450</b>	<b>26,062</b>	<b>26,411</b>
<b>Income from operations</b>	<b>2,032</b>	<b>1,293</b>	<b>5,310</b>	<b>720</b>
<b>Other income (expense):</b>				
Interest income	8	15	23	24
Interest expense		(4)	(3)	(20)
Foreign currency gain (loss)	35	159	(15)	188
Other income (expense), net	(10)		12	(9)
<b>Income before income taxes</b>	<b>2,065</b>	<b>1,463</b>	<b>5,327</b>	<b>903</b>
<b>Provision for income taxes</b>	<b>548</b>	<b>178</b>	<b>1,278</b>	<b>574</b>
<b>Net income</b>	<b>\$ 1,517</b>	<b>\$ 1,285</b>	<b>\$ 4,049</b>	<b>\$ 329</b>
<b>Net income per share of common stock:</b>				
Basic	\$ 0.10	\$ 0.08	\$ 0.26	\$ 0.02
Diluted	\$ 0.09	\$ 0.08	\$ 0.25	\$ 0.02
<b>Weighted-average shares outstanding:</b>				
Basic	15,622	15,695	15,638	15,675
Diluted	16,157	15,934	16,090	15,864

See accompanying notes to consolidated financial statements.



**Table of Contents****LeMaitre Vascular, Inc.****Consolidated Statements of Cash Flows****(unaudited)**

	<b>For the nine months ended September 30, 2010      2009 (in thousands)</b>	
<b>Operating activities</b>		
Net income	\$ 4,049	\$ 329
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,007	1,050
Stock-based compensation	703	719
Amortization of premium on marketable securities	1	37
Intangible impairment charges	68	106
Provision for losses in accounts receivable	54	30
Provision for inventory write-downs	689	283
Provision for deferred income taxes	234	210
Loss on sales of marketable securities		34
Loss on disposal of property and equipment	51	
Foreign currency transaction gain	23	47
Changes in operating assets and liabilities:		
Accounts receivable	(597)	(411)
Inventory	(1,372)	409
Prepaid expenses and other assets	(127)	275
Accounts payable and other liabilities	1,300	353
Net cash provided by operating activities	6,083	3,471
<b>Investing activities</b>		
Purchases of property and equipment	(1,151)	(473)
Payments related to acquisitions		(575)
Receipts related to divestitures	33	
Purchase of technology and licenses	(59)	(1,032)
Sales and maturities of marketable securities		