

VERACYTE, INC.
Form 10-Q
August 14, 2014
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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, 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 001-36156

VERACYTE, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

20-5455398
(I.R.S. Employer
Identification No.)

7000 Shoreline Court, Suite 250

South San Francisco, California 94080

(Address of principal executive offices, zip code)

(650) 243-6300

(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

Smaller reporting company

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(Do not check if a
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 o No x

As of August 1, 2014, there were 21,487,855 shares of common stock, par value \$0.001 per share, outstanding.

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	June 30, 2014	December 31, 2013
	(Unaudited)	(Derived from audited financial statements)
Assets		
Current assets:		
Cash and cash equivalents	\$ 57,998	\$ 71,220
Accounts receivable, net of allowance of \$112 and \$107 as of June 30, 2014 and December 31, 2013	1,430	1,143
Supplies inventory	3,300	2,567
Prepaid expenses and other current assets	1,450	1,477
Total current assets	64,178	76,407
Property and equipment, net	3,312	2,952
Restricted cash	118	118
Other assets	142	153
Total assets	\$ 67,750	\$ 79,630
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 8,539	\$ 5,294
Accrued liabilities	5,128	7,594
Deferred Genzyme co-promotion fee	2,500	2,500
Current portion of long-term debt	940	
Total current liabilities	17,107	15,388
Long-term debt, net of current portion	4,031	4,899
Deferred rent, net of current portion	223	286
Deferred Genzyme co-promotion fee, net of current portion	1,364	2,614
Total liabilities	22,725	23,187
Commitments and contingencies (Note 5)		
Stockholders' equity:		
Preferred stock, \$0.001 par value; 5,000,000 shares authorized, 0 shares issued and outstanding as of June 30, 2014 and December 31, 2013, respectively		
Common stock, \$0.001 par value; 125,000,000 shares authorized, 21,446,855 and 21,143,313 shares issued and outstanding as of June 30, 2014 and December 31, 2013, respectively	21	21

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Additional paid-in capital		143,982		142,071
Accumulated deficit		(98,978)		(85,649)
Total stockholders' equity		45,025		56,443
Total liabilities and stockholders' equity	\$	67,750	\$	79,630

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

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VERACYTE, INC.

CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Unaudited)

(In thousands, except share and per share amounts)

	Three Months Ended		Six Months Ended	
	June 30,	June 30,	June 30,	June 30,
	2014	2013	2014	2013
Revenue	\$ 8,677	\$ 5,068	\$ 16,153	\$ 9,452
Operating expenses:				
Cost of revenue	3,966	3,231	7,573	6,004
Research and development	2,243	1,902	4,369	3,912
Selling and marketing	5,101	2,615	9,437	5,318
General and administrative	3,928	2,737	7,910	5,528
Total operating expenses	15,238	10,485	29,289	20,762
Loss from operations	(6,561)	(5,417)	(13,136)	(11,310)
Interest expense	(113)	(5)	(224)	(5)
Other income (expense), net	19	(1,068)	31	(2,070)
Net loss and comprehensive loss	\$ (6,655)	\$ (6,490)	\$ (13,329)	\$ (13,385)
Net loss per common share, basic and diluted	\$ (0.31)	\$ (7.53)	\$ (0.63)	\$ (16.47)
Shares used to compute net loss per common share, basic and diluted	21,237,196	861,839	21,193,014	812,703

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

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VERACYTE, INC.

CONDENSED STATEMENTS OF CASH FLOWS

(Unaudited)

(In thousands)