

CODEXIS INC
Form 10-Q
November 07, 2011
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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, 2011

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: 001-34705

Codexis, Inc.

(Exact name of registrant as specified in its charter)

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Delaware (State or other jurisdiction of incorporation or organization)	71-0872999 (I.R.S. Employer Identification No.)
200 Penobscot Drive, Redwood City (Address of principal executive offices)	94063 (Zip Code)
(650) 421- 8100	

(Registrant's telephone number, including area code)(Former name, former address and former fiscal year, if changed since last report)

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

As of October 31, 2011, there were 35,948,053 shares of the registrant's Common Stock, par value \$0.0001 per share, outstanding.

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Codexis, Inc.

Quarterly Report on Form 10-Q

For The Three Months Ended September 30, 2011

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Table of Contents**Codexis, Inc.****Condensed Consolidated Balance Sheets****(Unaudited)****(In Thousands)**

	September 30, 2011	December 31, 2010
Assets		
Current assets:		
Cash and cash equivalents	\$ 30,132	\$ 72,396
Marketable securities	19,503	
Accounts receivable, net of allowances of \$58 at September 30, 2011 and December 31, 2010, respectively	19,325	15,333
Inventories	5,240	2,817
Prepaid expenses and other current assets	2,837	1,646
Total current assets	77,037	92,192
Restricted cash	1,511	1,466
Non-current marketable securities	21,020	1,650
Property and equipment, net	23,321	21,452
Intangible assets, net	17,372	20,158
Goodwill	3,241	3,241
Other non-current assets	1,120	1,141
Total assets	\$ 144,622	\$ 141,300
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 7,509	\$ 9,208
Accrued compensation	6,165	8,107
Other accrued liabilities	12,100	5,630
Deferred revenues	8,632	4,539
Total current liabilities	34,406	27,484
Deferred revenues, net of current portion	1,871	5,074
Other long-term liabilities	1,870	1,381
Commitments and contingencies		
Stockholders' equity:		
Common stock	4	4
Additional paid-in capital	285,650	275,540
Accumulated other comprehensive income (loss)	223	(34)
Accumulated deficit	(179,402)	(168,149)
Total stockholders' equity	106,475	107,361
Total liabilities and stockholders' equity	\$ 144,622	\$ 141,300

Table of Contents**Codexis, Inc.****Condensed Consolidated Statements of Operations****(Unaudited)****(In Thousands, Except Per Share Amounts)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Revenues:				
Product	\$ 12,199	\$ 9,491	\$ 33,528	\$ 24,250
Collaborative research and development	19,201	17,243	54,073	49,450
Government grants	1,882	379	2,771	3,593
Total revenues	33,282	27,113	90,372	77,293
Costs and operating expenses:				
Cost of product revenues	9,958	8,563	28,713	19,856
Research and development	16,786	13,070	45,502	39,056
Selling, general and administrative	8,871	7,940	27,160	25,192
Total costs and operating expenses	35,615	29,573	101,375	84,104
Loss from operations	(2,333)	(2,460)	(11,003)	(6,811)
Interest income	76	61	195	135
Interest expense and other, net	(411)	(35)	(378)	(1,047)
Loss before provision for income taxes	(2,668)	(2,434)	(11,186)	(7,723)
Provision for income taxes	74	298	68	324
Net loss	\$ (2,742)	\$ (2,732)	\$ (11,254)	\$ (8,047)
Net loss per share of common stock, basic and diluted	\$ (0.08)	\$ (0.08)	\$ (0.32)	\$ (0.38)
Weighted average common shares used in computing net loss per share of common stock, basic and diluted	35,919	34,200	35,576	21,272

Table of Contents**Codexis, Inc.****Condensed Consolidated Statements of Cash Flows****(Unaudited)****(In Thousands)**

	Nine Months Ended September 30,	
	2011	2010
Operating activities:		
Net loss	\$ (11,254)	\$ (8,047)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of intangible assets	2,787	402
Depreciation and amortization of property and equipment	5,678	5,298
Revaluation of redeemable convertible preferred stock warrant liability		677
Gain from extinguishment of asset retirement obligation	(124)	
Loss on disposal of property and equipment	31	
Stock-based compensation	7,393	6,466
Accretion of asset retirement obligation	27	
Amortization of debt discount		70
Accretion (amortization) of premium/discount on marketable securities	501	511
Changes in operating assets and liabilities:		
Accounts receivable	(3,991)	(8,132)
Inventories	(2,423)	(331)
Prepaid expenses and other current assets	(844)	(213)
Other assets	20	2,602
Accounts payable	(1,699)	(1,360)
Accrued compensation	(1,942)	(472)
Other accrued liabilities	7,355	(4,247)
Deferred revenues	891	(9,276)
Net provided by (used in) in operating activities	2,406	(16,052)
Investing activities:		
Change in restricted cash	(46)	65
Purchase of property and equipment	(7,813)	(4,740)
Purchase of marketable securities	(50,900)	(49,051)
Proceeds from sale of marketable securities	5,008	1,605
Proceeds from maturities of marketable securities	6,500	70,696
Net provided by (used in) in investing activities	(47,251)	18,575
Financing activities:		
Principal payments on financing obligations		(3,979)
Payments in preparation for initial public offering		(3,870)
Proceeds from issuance of common stock on IPO		72,551
Proceeds from exercises of stock options	2,476	279
Net cash provided by (used in) financing activities	2,476	64,981
Effect of exchange rate changes on cash and cash equivalents	105	(15)
Net increase (decrease) in cash and cash equivalents	(42,264)	67,489
Cash and cash equivalents at the beginning of the period	72,396	31,785
Cash and cash equivalents at the end of the period	\$ 30,132	\$ 99,274

