

Pacira Pharmaceuticals, Inc.  
Form 10-Q  
April 30, 2015

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 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 March 31, 2015

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: 001-35060

PACIRA PHARMACEUTICALS, INC.  
(Exact Name of Registrant as Specified in its Charter)

Delaware  
(State or Other Jurisdiction of  
Incorporation or Organization)

51-0619477  
(I.R.S. Employer  
Identification No.)

5 Sylvan Way, Suite 300  
Parsippany, New Jersey, 07054  
(Address and Zip Code of Principal Executive Offices)

(973) 254-3560  
(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

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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

Accelerated filer

Non-accelerated filer

Smaller reporting company

(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  No

As of April 23, 2015, 36,443,244 shares of the registrant’s common stock, \$0.001 par value per share, were outstanding.

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PACIRA PHARMACEUTICALS, INC.  
QUARTERLY REPORT ON FORM 10-Q  
FOR THE QUARTER ENDED MARCH 31, 2015

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## PART I — FINANCIAL INFORMATION

## Item 1. FINANCIAL STATEMENTS

PACIRA PHARMACEUTICALS, INC.  
CONSOLIDATED BALANCE SHEETS

(Unaudited)

(In thousands, except share and per share amounts)

	March 31, 2015	December 31, 2014 (Note 2)
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$40,897	\$ 37,520
Restricted cash	—	1,509
Short-term investments	113,989	119,138
Accounts receivable, net	24,511	22,366
Inventories, net	36,264	29,263
Prepaid expenses and other current assets	4,089	4,461
Total current assets	219,750	214,257
Long-term investments	19,938	24,431
Fixed assets, net	67,206	60,632
Goodwill	25,381	23,761
Intangibles, net	323	403
Other assets	2,432	2,588
Total assets	\$335,030	\$ 326,072
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$5,565	\$ 6,758
Accrued expenses	25,296	28,311
Convertible senior notes	104,135	103,100
Current portion of royalty interest obligation	—	276
Current portion of deferred revenue	1,426	1,426
Income taxes payable	31	139
Total current liabilities	136,453	140,010
Deferred revenue	9,152	9,508
Other liabilities	5,404	5,409
Total liabilities	151,009	154,927
Commitments and contingencies (Note 12)		
Stockholders' equity:		
Preferred stock, par value \$0.001; 5,000,000 shares authorized, none issued and outstanding at	—	—
March 31, 2015 and December 31, 2014		
Common stock, par value \$0.001, 250,000,000 shares authorized; 36,343,731 shares issued and		
outstanding at March 31, 2015; 36,150,620 shares issued and outstanding at	36	36
December 31, 2014		
Additional paid-in capital	492,898	481,334

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Accumulated deficit	(308,885	) (310,145	)
Accumulated other comprehensive loss	(28	) (80	)
Total stockholders' equity	184,021	171,145	
Total liabilities and stockholders' equity	\$335,030	\$ 326,072	

See accompanying condensed notes to consolidated financial statements.

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CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(In thousands, except per share amounts)

	Three Months Ended	
	March 31,	
	2015	2014
Revenues:		
Net product sales	\$57,086	\$35,742
Collaborative licensing and development revenue	356	252
Royalty revenue	874	668
Total revenues	58,316	36,662
Operating expenses:		
Cost of goods sold	17,580	18,127
Research and development	5,967	5,204
Selling, general and administrative	31,428	22,589
Total operating expenses	54,975	45,920
Income (loss) from operations	3,341	(9,258)
Other (expense) income:		
Interest income	155	42
Interest expense	(1,996)	(2,107)
Royalty interest obligation	(71)	(120)
Other, net	(117)	(34)
Total other expense, net	(2,029)	(2,219)
Income (loss) before income taxes	1,312	(11,477)
Income tax expense	(52)	—
Net income (loss)	\$1,260	\$(11,477)