

SONOSITE INC
Form 10-Q
November 13, 2002
Table of Contents

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 September 30, 2002

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 0-23791

SONOSITE, INC.

(Exact name of registrant as specified in its charter)

Washington
(State or Other Jurisdiction
of Incorporation or Organization)

91-1405022
(I.R.S. Employer
Identification Number)

21919 30th Drive SE, Bothell, WA
(Address of Principal Executive Offices)

98021-3904
(Zip Code)

(425) 951-1200
(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 the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Edgar Filing: SONOSITE INC - Form 10-Q

Common Stock, \$0.01 par value
(Class)

14,193,497
(Outstanding as of November 11, 2002)

Table of Contents

SonoSite, Inc.

**Quarterly Report on Form 10-Q
For the Quarter Ended September 30, 2002**

Table of Contents

		Page No.
PART I	FINANCIAL INFORMATION	
Item 1.	Financial Statements (unaudited)	
	<u>Condensed Consolidated Balance Sheets September 30, 2002 and December 31, 2001</u>	3
	<u>Condensed Consolidated Statements of Operations Three and nine months ended September 30, 2002 and 2001</u>	4
	<u>Condensed Consolidated Statements of Cash Flows Nine months ended September 30, 2002 and 2001</u>	5
	<u>Notes to Condensed Consolidated Financial Statements</u>	6
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	9
Item 3.	<u>Quantitative and Qualitative Disclosures about Market Risk</u>	23
Item 4.	<u>Controls and Procedures</u>	24
PART II	OTHER INFORMATION	
Item 1.	<u>Legal Proceedings</u>	24
Item 6.	<u>Exhibits and Reports on Form 8-K</u>	24
	<u>SIGNATURE</u>	25
	<u>CERTIFICATIONS</u>	26

Table of Contents**PART I: FINANCIAL INFORMATION****Item 1. Financial Statements****SonoSite, Inc.****Condensed Consolidated Balance Sheets
(unaudited)**

(In thousands, except share data)	September 30, 2002	December 31, 2001
Assets		
Current assets:		
Cash and cash equivalents	\$ 37,910	\$ 33,116
Short-term investment securities	7,029	
Accounts receivable, less allowance for doubtful accounts of \$754 and \$932	14,696	14,003
Inventories	11,761	8,299
Prepaid expenses and other current assets	1,458	1,017
Total current assets	72,854	56,435
Property and equipment, net	6,143	5,685
Investment securities	24,388	
Other assets	451	1,058
Total assets	\$ 103,836	\$ 63,178
Liabilities and Shareholders Equity		
Current liabilities:		
Accounts payable	\$ 5,320	\$ 1,914
Accrued expenses	4,979	3,816
Current portion of long-term obligations	186	131
Deferred revenue	2,557	1,248
Total current liabilities	13,042	7,109
Deferred rent	236	201
Long-term obligations, less current portion	69	185
Total liabilities	13,347	7,495
Commitments and contingencies		
Shareholders equity:		
Preferred stock, \$1.00 par value		
Authorized shares 6,000,000		
Issued and outstanding shares none		
Common stock, \$.01 par value:		
Authorized shares 50,000,000		
Issued and outstanding shares:		
As of September 30, 2002 14,095,052		
As of December 31, 2001 11,363,231	141	114
Additional paid-in-capital	176,232	133,470
Accumulated deficit	(86,501)	(77,901)
Accumulated other comprehensive income	617	
Total shareholders equity	90,489	55,683

Edgar Filing: SONOSITE INC - Form 10-Q

Total liabilities and shareholders' equity	\$ 103,836	\$ 63,178
--	------------	-----------

See accompanying notes to condensed consolidated financial statements.

Table of Contents

SonoSite, Inc.

**Condensed Consolidated Statements of Operations
(unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	2001	2002	2001
(In thousands, except loss per share)				