

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): August 5, 2021

ANIKA THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation)

001-14027

(Commission File Number)

04-3145961

(I.R.S. Employer Identification No.)

**32 Wiggins Avenue
Bedford, Massachusetts 01730**

(Address of Principal Executive Offices) (Zip Code)

(781) 457-9000

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	ANIK	NASDAQ Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

The following information, including the exhibit attached hereto, is intended to be furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such filing.

On August 5, 2021, Anika Therapeutics, Inc. issued a press release announcing its financial results for the quarter ended June 30, 2021. The full text of the press release is furnished as Exhibit 99.1 hereto and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.**(d) Exhibits.**

<u>Exhibit Number</u>	<u>Description</u>
<u>99.1</u>	<u>Press Release of Anika Therapeutics, Inc. dated August 5, 2021</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Anika Therapeutics, Inc.

Date: August 5, 2021

By: /s/ CHERYL R. BLANCHARD
CHERYL R. BLANCHARD
President and Chief Executive Officer

Anika Reports Second Quarter 2021 Financial Results

*Revenue growth of 24% year-over-year
Company raises full year revenue growth outlook to 11-14%*

BEDFORD, Mass., Aug. 05, 2021 (GLOBE NEWSWIRE) -- Anika Therapeutics, Inc. (NASDAQ: ANIK), a global joint preservation company in early intervention orthopedics, today reported financial results for its second quarter ended June 30, 2021.

Second Quarter 2021 Financial Summary

- Revenue in the second quarter of 2021 was \$38.1 million, 24% higher year-over-year, compared to \$30.7 million in the second quarter of 2020, on recovery from initial COVID impact.
 - Joint Preservation and Restoration revenue of \$11.9 million, up 79%
 - Joint Pain Management revenue of \$24.3 million, up 9%
 - Other revenue of \$1.9 million
 - Joint Preservation and Restoration represented 31% of total revenues, compared with 22% last year, highlighting the continued transformation of the business.
- Gross margin was 55%, reflecting \$3.8 million of acquisition related expenses and \$2.1 million of product rationalization charges. Adjusted gross margin¹, excluding these charges, was 70%.
- Net income was \$6.5 million, or \$0.45 per diluted share, compared to net loss of \$7.7 million, or \$0.54 loss per diluted share, in the prior year. Net income this quarter benefited from a reduction in the value of contingent consideration of \$9.8 million, net of tax, or \$0.67 per diluted share. Adjusted net income¹ for the quarter was \$1.4 million, or \$0.09 per diluted share, compared to \$1.2 million, or \$0.09 per diluted share, in the prior year.
- Adjusted EBITDA¹ for the quarter was \$6.1 million, compared to \$5.6 million for the second quarter of 2020.
- Operating cash flow was \$4.3 million; cash balance of \$97.2 million.

¹ See description of non-GAAP financial information contained in this release.

Recent Operational Highlights

- Performed first surgical procedure with Anika's WristMotion® Total Wrist Arthroplasty System as part of its limited market launch. WristMotion is an exciting addition to Anika's product portfolio, preserving motion and native anatomy in patients with arthritic wrist joints. Full nationwide market launch is planned for Fall 2021.
- Received 510(k) clearance for a reverse shoulder implant system. This foundational clearance sets the stage for the development and expansion of our shoulder implant portfolio in the future.

Cheryl R. Blanchard, Ph.D., Anika's President and CEO, commented, "We are pleased with our second quarter revenue growth as elective procedures continued to recover from the initial COVID impact. We are making significant progress in our business transformation but still view the impact of COVID as a headwind. We continue to expect double digit revenue growth in 2021, with stability in Joint Pain Management and strengthening in Joint Preservation, and we remain on track toward our 2024 goal to double revenues off our 2019 base."

Fiscal 2021 Outlook

The Company expects its overall revenue for fiscal year 2021 to grow 11-14% year-over year, up from its previous guidance of 10-13%. This growth is driven by Joint Preservation and Restoration growth of upper 20% to low 30% range with mid-single digit growth in Joint Pain Management. Other revenue is expected to be down low to mid-single digits for the year.

There remains continued uncertainty in the global market associated with the impact of the COVID pandemic, and the Company's outlook for fiscal 2021 is subject to changing dynamics associated with COVID including vaccine distribution, COVID variants and other related developments.

Conference Call Information

Anika's management will hold a conference call and webcast to discuss its financial results and business highlights today, Thursday, August 5, 2021 at 5:00 pm ET. The conference call can be accessed by dialing 1-866-269-4262 (toll-free domestic) or 1-856-344-9206 (international) and providing the conference ID number 2579568. A live audio webcast will be available in the Investor Relations section of Anika's website, www.anika.com. A slide presentation with highlights from the conference call will be available in the Investor Relations section of the Anika website. A replay of the webcast will be available on Anika's website approximately two hours after the completion of the event.

Non-GAAP Financial Information

Non-GAAP financial measures should be considered supplemental to, and not a substitute for, the Company's reported financial results prepared in accordance with GAAP. Furthermore, the Company's definition of non-GAAP measures may differ from similarly titled measures used by others. Because non-GAAP financial measures exclude the effect of items that will increase or decrease the Company's reported results of operations, Anika strongly encourages investors to review the Company's consolidated financial statements and publicly filed reports in their entirety. The Company presents these non-GAAP financial measures because it uses them as supplemental measures in internally assessing the Company's operating performance, and, in the case of Adjusted EBITDA, it is set as a key performance metric to determine executive compensation. The Company also recognizes that these non-GAAP measures are commonly used in determining business performance more broadly and believes that they are helpful to investors, securities analysts, and other interested parties as a measure of comparative operating performance from period to period.

Adjusted Gross Margin

In Q2 2021, adjusted gross margin is defined by the Company as adjusted gross profit divided by total revenue. The Company defines adjusted gross profit as GAAP gross profit excluding amortization of certain acquired assets, the impact of inventory fair-value step up associated with our recent acquisitions and non-cash product rationalization charges.

Adjusted EBITDA

In Q2 2021, adjusted EBITDA is defined by the Company as GAAP net income excluding depreciation and amortization, interest and other income (expense), income taxes, stock-based compensation expense, acquisition related expenses, non-cash charges related to goodwill impairment and changes in the fair value of contingent consideration associated with the Company's recent acquisitions as a result of the COVID pandemic, and non-cash product rationalization charges.

Adjusted Net Income and Adjusted EPS

Adjusted net income is defined by the Company as GAAP net income excluding acquisition related expenses, inclusive of the impact of purchase accounting, on a tax effected basis, and the non-cash product rationalization charges. In the context of adjusted net income, the impact of purchase accounting includes amortization of inventory step up and intangible assets recorded as part of purchase accounting for acquisition transactions. The amortized assets contribute to revenue generation, and the amortization of such assets will recur in future periods until such assets are fully amortized. These assets include the estimated fair value of certain identified assets acquired in acquisitions in 2020 and beyond, including in-process research and development, developed technology, customer relationships and acquired tradenames. As a result of COVID, the Company is also specifically excluding the impacts of goodwill impairment charges and changes in the fair value of contingent consideration associated with the acquisition transactions, each on a tax effected basis. Adjusted diluted EPS is defined by the Company as GAAP diluted EPS excluding acquisition related expenses and the impact of purchase accounting, each on a tax-adjusted per share basis, and non-cash product rationalization charges. Again, the Company is also specifically excluding the impacts of goodwill impairment charges and changes in the fair value of contingent consideration associated with recent acquisition transactions, each on a tax effected basis if applicable.

A reconciliation of adjusted gross profit to gross profit (and the associated adjusted gross margin calculation), adjusted EBITDA to net income, adjusted net income to net income and adjusted diluted EPS to diluted EPS, the most directly comparable financial measures calculated and presented in accordance with GAAP, is shown in the tables at the end of this release.

About Anika

Anika Therapeutics, Inc. (NASDAQ: ANIK), is a global joint preservation company that creates and delivers meaningful advancements in early intervention orthopedic care. We partner with clinicians to understand what they need most to treat their patients and we develop minimally invasive products that restore active living for people around the world. We are committed to leading in high opportunity spaces within orthopedics, including osteoarthritis pain management, regenerative solutions, soft tissue repair and bone preserving joint technologies. Anika is headquartered in Massachusetts with operations in the United States and Europe. For more information about Anika, please visit www.anika.com.

Forward-Looking Statements

This press release may contain forward-looking statements, within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, concerning the Company's expectations, anticipations, intentions, beliefs or strategies regarding the future which are not statements of historical fact, including those statements in the last sentence of the quotation from Dr. Blanchard, and in the section captioned "Fiscal 2021 Outlook" related to potential future revenues and the impacts of COVID. These statements are based upon the current beliefs and expectations of the Company's management and are subject to significant risks, uncertainties, and other factors. The Company's actual results could differ materially from any anticipated future results, performance, or achievements described in the forward-looking statements as a result of a number of factors including, but not limited to, (i) the Company's ability to successfully commence and/or complete clinical trials of its products on a timely basis or at all; (ii) the Company's ability to obtain pre-clinical or clinical data to support domestic and international pre-market approval applications, 510(k) applications, or new drug applications, or to timely file and receive FDA or other regulatory approvals or clearances of its products; (iii) that such approvals will not be obtained in a timely manner or without the need for additional clinical trials, other testing or regulatory submissions, as applicable; (iv) the Company's research and product development efforts and their relative success, including whether we have any meaningful sales of any new products resulting from such efforts; (v) the cost effectiveness and efficiency of the Company's clinical studies, manufacturing operations, and production planning; (vi) the strength of the economies in which

the Company operates or will be operating, as well as the political stability of any of those geographic areas; (vii) future determinations by the Company to allocate resources to products and in directions not presently contemplated; (viii) the Company's ability to successfully commercialize its products, in the U.S. and abroad; (ix) the Company's ability to provide an adequate and timely supply of its products to its customers; and (x) the Company's ability to achieve its growth targets. Additional factors and risks are described in the Company's periodic reports filed with the Securities and Exchange Commission, and they are available on the SEC's website at www.sec.gov. Forward-looking statements are made based on information available to the Company on the date of this press release, and the Company assumes no obligation to update the information contained in this press release.

Anika Therapeutics, Inc. and Subsidiaries
Consolidated Statements of Operations
(in thousands, except per share data)
(unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Revenue	\$ 38,145	\$ 30,678	\$ 72,437	\$ 66,075
Cost of Revenue	17,333	16,936	30,651	31,136
Gross Profit	20,812	13,742	41,786	34,939
Operating expenses:				
Research and development	7,293	4,532	13,654	10,582
Selling, general and administrative	17,989	14,550	36,164	28,981
Goodwill impairment	-	-	-	18,144
Change in fair value of contingent consideration	(13,650)	4,196	(18,470)	(20,326)
Total operating expenses	11,632	23,278	31,348	37,381
Income (loss) from operations	9,180	(9,536)	10,438	(2,442)
Interest and other income (expense), net	(50)	(169)	(93)	110
Income (loss) before income taxes	9,130	(9,705)	10,345	(2,332)
Income taxes	2,599	(1,997)	976	(417)
Net income (loss)	\$ 6,531	\$ (7,708)	\$ 9,369	\$ (1,915)
Net income (loss) per share:				
Basic	\$ 0.45	\$ (0.54)	\$ 0.65	\$ (0.13)
Diluted	\$ 0.45	\$ (0.54)	\$ 0.64	\$ (0.13)
Weighted average common shares outstanding:				
Basic	14,393	14,199	14,368	14,201
Diluted	14,627	14,199	14,583	14,201

Anika Therapeutics, Inc. and Subsidiaries
Consolidated Balance Sheets
(in thousands, except per share data)
(unaudited)

ASSETS	June 30, 2021	December 31, 2020
Current assets:		
Cash, cash equivalents and investments	\$ 97,181	\$ 98,318
Accounts receivable, net	29,426	24,102
Inventories, net	42,857	46,209
Prepaid expenses and other current assets	8,297	8,754
Total current assets	177,761	177,383
Property and equipment, net	49,540	50,613
Right-of-use assets	21,849	22,619
Other long-term assets	18,748	15,420

Intangible assets, net	87,084	91,157
Goodwill	8,149	8,413
Total assets	<u>\$ 363,131</u>	<u>\$ 365,605</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable	\$ 8,101	\$ 8,984
Accrued expenses and other current liabilities	16,396	14,793
Contingent consideration	16,870	13,090
Total current liabilities	<u>41,367</u>	<u>36,867</u>
Other long-term liabilities	1,710	1,244
Contingent consideration	70	22,320
Deferred tax liability	13,100	11,895
Lease liabilities	20,080	20,879
Stockholders' equity:		
Common stock, \$0.01 par value	144	143
Additional paid-in-capital	60,699	55,355
Accumulated other comprehensive loss	(4,852)	(4,542)
Retained earnings	230,813	221,444
Total stockholders' equity	<u>286,804</u>	<u>272,400</u>
Total liabilities and stockholders' equity	<u>\$ 363,131</u>	<u>\$ 365,605</u>

Anika Therapeutics, Inc. and Subsidiaries
Reconciliation of GAAP Gross Profit to Adjusted Gross Profit
(per share data)
(unaudited)

<i>in thousands</i>	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Gross Profit	\$ 20,812	\$ 13,742	\$ 41,786	\$ 34,939
Product rationalization related charges	2,063	1,920	2,063	1,920
Acquisition related intangible asset amortization	1,562	1,758	3,124	2,721
Acquisition related inventory step up	2,208	2,032	4,786	4,123
Adjusted Gross Profit	<u>\$ 26,645</u>	<u>\$ 19,452</u>	<u>\$ 51,759</u>	<u>\$ 43,703</u>
Adjusted Gross Margin	70%	64%	71%	66%

Anika Therapeutics, Inc. and Subsidiaries
Reconciliation of GAAP Net Income to Adjusted EBITDA
(in thousands, except per share data)
(unaudited)

<i>in thousands, except per share data</i>	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Net income (loss)	\$ 6,531	\$ (7,708)	\$ 9,369	\$ (1,915)
Interest and other expense (income), net	50	169	93	(110)
(Benefit) provision for income taxes	2,599	(1,997)	976	(417)
Depreciation and amortization	1,716	1,739	3,437	3,412
Share-based compensation	2,797	2,240	5,056	2,033
Product rationalization	2,063	2,892	2,063	2,892
Acquisition related expenses	-	-	-	4,184
Acquisition related intangible asset amortization	1,787	1,996	3,574	3,047

Acquisition related inventory step up	2,208	2,032	4,786	4,123
Goodwill impairment	-	-	-	18,144
Change in fair value of contingent consideration	(13,650)	4,196	(18,470)	(20,326)
Adjusted EBITDA	<u>\$ 6,101</u>	<u>\$ 5,559</u>	<u>\$ 10,884</u>	<u>\$ 15,067</u>

Anika Therapeutics, Inc. and Subsidiaries
Reconciliation of GAAP Net Income to Adjusted Net Income
(in thousands, except per share data)
(unaudited)

<i>in thousands, except per share data</i>	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Net income (loss)	\$ 6,531	\$ (7,708)	\$ 9,369	\$ (1,915)
Product rationalization, tax effected	1,590	2,377	1,590	2,377
Acquisition related expenses, tax effected	-	-	-	3,198
Acquisition related intangible asset amortization, tax effected	1,356	1,529	2,754	2,329
Acquisition related inventory step up, tax effected	1,675	1,556	3,688	3,151
Goodwill impairment, tax effected	-	-	-	15,773
Change in fair value of contingent consideration, tax effected	(9,789)	3,474	(15,287)	(17,208)
Adjusted net income	<u>\$ 1,363</u>	<u>\$ 1,228</u>	<u>\$ 2,114</u>	<u>\$ 7,705</u>

Anika Therapeutics, Inc. and Subsidiaries
Reconciliation of GAAP Diluted Earnings Per Share to Adjusted Diluted Earnings Per Share
(per share data)
(unaudited)

<i>in thousands, except per share data</i>	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Diluted earnings (loss) per share (EPS)	\$ 0.45	\$ (0.54)	\$ 0.64	\$ (0.13)
Product rationalization, tax effected	0.11	0.17	0.11	0.17
Acquisition related expenses per share, tax effected	-	-	-	0.23
Acquisition related intangible asset amortization, tax effected	0.09	0.11	0.19	0.16
Acquisition related inventory step up, tax effected	0.11	0.11	0.25	0.22
Goodwill impairment, tax effected	-	-	-	1.10
Change in fair value of contingent consideration, tax effected	(0.67)	0.24	(1.05)	(1.19)
Adjusted diluted EPS	<u>\$ 0.09</u>	<u>\$ 0.09</u>	<u>\$ 0.14</u>	<u>\$ 0.56</u>

For Investor Inquiries:

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