

**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 2, 2021

SI-BONE, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-38701
(Commission
File Number)

26-2216351
(I.R.S. Employer
Identification No.)

**471 El Camino Real
Suite 101
Santa Clara, CA 95050**
(Address of principal executive offices) (Zip Code)

(408) 207-0700
(Registrant's telephone number, include area code)

N/A
(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:

| <u>Title of each class</u> | <u>Trading Symbol(s)</u> | <u>Name of each exchange on which registered</u> |
|--|--------------------------|--|
| Common Stock, par value \$0.0001 per share | SIBN | The Nasdaq Global 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.

On August 2, 2021, SI-BONE, Inc. (the "Company") issued a press release (the "Press Release") announcing results for the quarter ended June 30, 2021. A copy of the Press Release is attached as Exhibit 99.1 to this current report on Form 8-K and is incorporated by reference herein.

The information under Item 2.02 in this current report on Form 8-K and the related information in the exhibit attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (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, as amended, or the Exchange Act, regardless of any general incorporation language in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

| Exhibit No. | Description |
|--------------------|---|
| 99.1 | Press release dated August 2, 2021 |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

SIGNATURES

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.

SI-BONE, INC.

Date: August 2, 2021

By: /s/ Anshul Maheshwari
Anshul Maheshwari
Chief Financial Officer
(Principal Financial and Accounting Officer)



SI-BONE, Inc. Reports Second Quarter 2021 Financial Results and Announces Exclusive Coverage from Anthem

Record Second Quarter 2021 Worldwide Revenue of \$22.2 million

SANTA CLARA, Calif. August 2, 2021 - SI-BONE, Inc. (Nasdaq:SIBN), a medical device company dedicated to solving musculoskeletal disorders of the sacropelvic anatomy, today reported financial results for the quarter ended June 30, 2021.

Recent Highlights

- Record worldwide revenue of \$22.2 million for the second quarter 2021, representing a 58% increase over the corresponding period in 2020 which was significantly impacted by COVID-19
- U.S. revenue of \$20.2 million for the second quarter 2021, representing a 53% increase over the corresponding period in 2020
- Gross margin of 89% for the second quarter 2021
- Received exclusive coverage by Anthem, the second largest commercial health insurer in the U.S. with over 40 million members
- Received positive coverage by Centene Corporation, a major intermediary for both government-sponsored and privately insured health care programs with over 25 million members
- Published 2-year results from a prospective multi-center clinical trial of the iFuse-3D™ Implant System, the 95th peer-reviewed publication demonstrating the safety, effectiveness, biomechanical or economic benefits of iFuse Technology™

“Our strong performance in the quarter reaffirms the underlying strength of our business and growing demand for our innovative solutions,” said Laura Francis, Chief Executive Officer of SI-BONE. “With the exclusive coverage from Anthem, substantially all of the U.S insured population now has access to minimally invasive SI joint fusion. As the recovery progresses and the operating environment continues to normalize, our planned investments across product innovation, sales force expansion, surgeon engagement and patient awareness position us to accelerate market expansion and further extend our leadership as a sacropelvic surgical solutions company.”

Second Quarter 2021 Financial Results

Worldwide revenue was \$22.2 million in the second quarter 2021, a 58% increase from \$14.0 million in the corresponding period in 2020. U.S. revenue for the second quarter 2021 was \$20.2 million, a 53% increase from \$13.2 million in the corresponding period in 2020. International revenue for the second quarter 2021 was \$2.0 million, a 137% increase from \$0.8 million in the corresponding period in 2020. The second quarter 2020 was significantly impacted by COVID-19.

Gross margin was 89% for the second quarter 2021, as compared to 85% in the corresponding period in 2020 as higher cost of operations to support the growth of the business were offset by lower inventory write-downs. The

second quarter 2020 gross margins were impacted by certain period costs that were expensed as incurred due to suboptimal capacity utilization driven by lower case volume and increases in inventory write-downs.

Operating expenses increased 49% to \$32.8 million in the second quarter 2021, as compared to \$22.1 million in the corresponding period in 2020. The higher operating expenses were driven by increased sales hiring, research and development expenses for new product development costs and increased stock-based compensation expense. The second quarter 2020 operating expenses were impacted by preemptive steps taken in response to COVID-19 to reduce discretionary spending.

Operating loss was \$13.0 million in the second quarter 2021, as compared to an operating loss of \$10.1 million in the corresponding period in 2020.

Net loss was \$14.0 million, or \$0.42 per diluted share for the second quarter 2021, as compared to a net loss of \$12.5 million, or \$0.44 per diluted share in the corresponding period in 2020.

Cash and marketable securities were \$176.6 million and long-term borrowings were \$39.6 million as of June 30, 2021.

2021 Financial Guidance

The Company continues to take a measured approach given the early stages of the COVID-19 recovery, and maintains the full year 2021 total revenue guidance to be approximately \$92 million to \$94 million, representing growth of 25% to 28% compared to full year 2020. Given the gross margin trends in the first and second quarter of 2021, the Company is updating the gross margin guidance to between 87% to 89% for full year 2021.

Webcast and Conference Call Information

SI-BONE will host a conference call to discuss the second quarter 2021 financial results after market close on Monday, August 2, 2021 at 4:30 P.M. Eastern Time. The conference call can be accessed live over the phone (866) 470-1968 for domestic callers or (409) 217-8248 for international callers, using conference ID: 4296117. The webcast can be accessed at <https://investor.si-bone.com>.

About SI-BONE, Inc.

SI-BONE (NASDAQ: SIBN) is a global leader in technology for surgical treatment of musculoskeletal disorders of the sacropelvic anatomy. In 2009, SI-BONE introduced the iFuse Implant System for minimally invasive surgery of the SI joint, shown to be a source of pain in 15% to 30% of chronic low back pain. Since then, more than 2,400 surgeons have performed a combined total of more than 55,000 SI joint fusion procedures. A unique body of evidence, supporting the iFuse Implant System, including two RCT's and over 95 peer reviewed publications, has enabled multiple government and private insurance payors to establish coverage of the SI joint fusion procedure exclusively when performed with the iFuse Implant System. SI-BONE is leveraging its market leadership position, supported by this proprietary reimbursement advantage, to commercialize other devices intended for surgical treatment of related aspects of the human anatomy. For more information or to join our team, please visit us at www.si-bone.com.

For additional information on the company or the products including risks and benefits, please visit www.si-bone.com.

SI-BONE and iFuse Implant System are registered trademarks of SI-BONE, Inc. ©2021 SI-BONE, Inc. All Rights Reserved.

Forward Looking Statements

The statements in this press release regarding expectations of future events or results, including SI-BONE's expectations of continued growth and financial outlook, contained in this press release are "forward-looking" statements. These forward-looking statements are based on SI-BONE's current expectations and inherently involve significant risks and uncertainties. These risks include the impact the COVID-19 pandemic will have on the ability and desire of patients and physicians to undergo procedures using the iFuse Implant System, the duration of the COVID-19 pandemic, the impact from the current and potential future variants of the COVID-19 virus, the pace of vaccination campaigns, impact from physician and patient vacations, pace of backlog replenishment, and SI-BONE's ability to increase demand for iFuse, and maintain favorable third-party payor coverage and reimbursement policies. Actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of these and other risks and uncertainties, many of which are described in the company's most recent filings on Form 10-K and Form 10-Q, and the company's other filings with the Securities and Exchange Commission (SEC) available at the SEC's Internet site (www.sec.gov), especially under the caption "Risk Factors". SI-BONE does not undertake any obligation to update forward-looking statements and expressly disclaims any obligations or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein, except as required by law.

Investor Contact

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SI-BONE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except share and per share amounts)
(Unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|--------------------|------------------------------|--------------------|
| | 2021 | 2020 | 2021 | 2020 |
| Revenue | \$ 22,194 | \$ 14,049 | \$ 42,636 | \$ 30,870 |
| Cost of goods sold | 2,375 | 2,117 | 4,575 | 4,049 |
| Gross profit | 19,819 | 11,932 | 38,061 | 26,821 |
| Operating expenses: | | | | |
| Sales and marketing | 23,084 | 15,755 | 44,006 | 35,036 |
| Research and development | 3,149 | 2,165 | 6,104 | 4,255 |
| General and administrative | 6,551 | 4,151 | 12,491 | 9,551 |
| Total operating expenses | 32,784 | 22,071 | 62,601 | 48,842 |
| Loss from operations | (12,965) | (10,139) | (24,540) | (22,021) |
| Interest and other income (expense), net: | | | | |
| Interest income | 46 | 329 | 107 | 827 |
| Interest expense | (1,075) | (2,683) | (2,139) | (3,914) |
| Other income (expense), net | 13 | 21 | 349 | (136) |
| Net loss | <u>\$ (13,981)</u> | <u>\$ (12,472)</u> | <u>\$ (26,223)</u> | <u>\$ (25,244)</u> |
| Net loss per share, basic and diluted | \$ (0.42) | \$ (0.44) | \$ (0.80) | \$ (0.91) |
| Weighted-average number of common shares used to compute basic and diluted net loss per share | 32,978,914 | 28,492,582 | 32,836,040 | 27,872,505 |

SI-BONE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)
(unaudited)

| | June 30, 2021 | December 31, 2020 |
|---|-------------------|----------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 48,125 | \$ 53,581 |
| Short-term investments | 128,508 | 142,851 |
| Accounts receivable, net | 11,894 | 13,611 |
| Inventory | 8,151 | 5,633 |
| Prepaid expenses and other current assets | 2,434 | 2,565 |
| Total current assets | 199,112 | 218,241 |
| Property and equipment, net | 7,868 | 4,527 |
| Other non-current assets | 352 | 374 |
| TOTAL ASSETS | \$ 207,332 | \$ 223,142 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 3,918 | \$ 3,271 |
| Accrued liabilities and other | 8,706 | 10,199 |
| Total current liabilities | 12,624 | 13,470 |
| Long-term borrowings | 39,630 | 39,455 |
| Other long-term liabilities | 880 | 854 |
| TOTAL LIABILITIES | 53,134 | 53,779 |
| Stockholders' Equity: | | |
| Common stock and additional paid-in capital | 419,238 | 408,116 |
| Accumulated other comprehensive income | 460 | 524 |
| Accumulated deficit | (265,500) | (239,277) |
| TOTAL STOCKHOLDERS' EQUITY | 154,198 | 169,363 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 207,332 | \$ 223,142 |