

LIGAND PHARMACEUTICALS INC

Form 10-Q

August 05, 2014

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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 June 30, 2014

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: 001-33093

LIGAND PHARMACEUTICALS INCORPORATED

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

77-0160744

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

11119 North Torrey Pines Road, Suite 200

La Jolla, CA

(Address of principal executive offices)

(858) 550-7500

(Registrant's Telephone Number, Including Area Code)

92037

(Zip 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

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 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 August 5, 2014, the registrant had 20,780,756 shares of common stock outstanding.

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LIGAND PHARMACEUTICALS INCORPORATED
QUARTERLY REPORT

FORM 10-Q

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

LIGAND PHARMACEUTICALS INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(in thousands, except share data)

	June 30, 2014	December 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$14,537	\$11,639
Short-term investments	7,490	4,340
Accounts receivable	3,133	2,222
Inventory	817	1,392
Capitalized IPO expenses, Viking Therapeutics, Inc.	1,094	—
Other current assets	1,123	959
Current portion of co-promote termination payments receivable	391	4,329
Total current assets	28,585	24,881
Restricted cash and investments	1,261	1,341
Property and equipment, net	619	867
Intangible assets, net	51,911	53,099
Goodwill	12,238	12,238
Commercial license rights	4,567	4,571
Long-term portion of co-promote termination payments receivable	413	7,417
Other assets	253	299
Total assets	\$99,847	\$104,713
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable (including \$1.4 million related to a VIE, Viking Therapeutics, Inc.)	\$5,059	\$3,951
Accrued liabilities	3,241	5,337
Current portion of contingent liabilities	2,877	1,712
Current portion of deferred income taxes	1,574	1,574
Current portion of note payable	2,698	9,109
Current portion of co-promote termination liability	391	4,329
Current portion of lease exit obligations	2,689	2,811
Current portion of deferred revenue	92	116
Total current liabilities	18,621	28,939
Long-term portion of co-promote termination liability	413	7,417
Long-term portion of deferred revenue, net	2,085	2,085
Long-term portion of lease exit obligations	1,587	3,071
Deferred income taxes	1,104	1,098
Long-term portion of contingent liabilities	12,223	11,795
Other long-term liabilities	728	695
Total liabilities	36,761	55,100
Commitments and Contingencies		
Stockholders' equity:		
Common stock, \$0.001 par value; 33,333,333 shares authorized; 20,778,526 and 20,468,521 shares issued and outstanding at June 30, 2014 and December 31, 2013, respectively	21	21

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Additional paid-in capital	726,758	718,017
Accumulated other comprehensive income	5,041	2,914
Accumulated deficit	(667,650)	(671,339)
Total stockholders' equity attributable to parent	64,170	49,613
Noncontrolling interests	(1,084)	\$—
Total liabilities and stockholders' equity	\$99,847	\$104,713

See accompanying notes.

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CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(in thousands, except share data)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2014	2013	2014	2013
Revenues:				
Royalties	\$5,241	\$4,916	\$13,091	\$10,742
Material sales	3,476	3,993	9,191	5,532
Collaborative research and development and other revenues	1,891	671	4,284	4,957
Total revenues	10,608	9,580	26,566	21,231
Operating costs and expenses:				
Cost of sales	1,186	1,214	3,637	1,877
Research and development	2,689	2,022	5,821	4,487
General and administrative	5,239	4,306	10,310	8,808
Lease exit and termination costs	136			