

Horizon Pharma plc
Form 10-Q
August 07, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(MARK ONE)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2017

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 001-35238

HORIZON PHARMA PUBLIC LIMITED COMPANY

(Exact name of registrant as specified in its charter)

Ireland
(State or other jurisdiction

of incorporation or organization)

Connaught House, 1st Floor

Not Applicable
(I.R.S. Employer

Identification No.)

Not Applicable

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1 Burlington Road, Dublin 4, D04 C5Y6, Ireland
(Address of principal executive offices) (Zip Code)

011 353 1 772 2100

(Registrant's telephone number, including area code)

Not applicable

(Former name, former address and former fiscal year, if changed since last report)

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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

(Do not check if a smaller reporting company) Smaller reporting company

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Number of registrant's ordinary shares, nominal value \$0.0001, outstanding as of July 28, 2017: 163,354,268.

HORIZON PHARMA PLC

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

HORIZON PHARMA PLC

CONDENSED CONSOLIDATED BALANCE SHEETS

(UNAUDITED)

(In thousands, except share data)

	As of June 30, 2017	As of December 31, 2016
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$554,269	\$509,055
Restricted cash	7,266	7,095
Accounts receivable, net	390,844	305,725
Inventories, net	102,244	174,788
Prepaid expenses and other current assets	45,988	49,619
Total current assets	1,100,611	1,046,282
Property and equipment, net	22,657	23,484
Developed technology, net	2,580,875	2,767,184
Other intangible assets, net	5,846	6,251
Goodwill	427,944	445,579
Deferred tax assets, net	2,163	911
Other assets	29,845	2,368
TOTAL ASSETS	\$4,169,941	\$4,292,059
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Long-term debt—current portion	\$8,500	\$7,750
Accounts payable	81,884	52,479
Accrued expenses	112,452	182,765
Accrued trade discounts and rebates	413,201	297,556
Accrued royalties—current portion	61,575	61,981
Deferred revenues—current portion	4,254	3,321
Total current liabilities	681,866	605,852
LONG-TERM LIABILITIES:		
Exchangeable notes, net	306,022	298,002
Long-term debt, net, net of current	1,577,822	1,501,741
Accrued royalties, net of current	268,144	272,293
Deferred revenues, net of current	7,856	7,763
Deferred tax liabilities, net	210,821	296,568
Other long-term liabilities	88,642	46,061

Total long-term liabilities	2,459,307	2,422,428
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY:		
Ordinary shares, \$0.0001 nominal value; 300,000,000 shares authorized;		
163,698,457 and 162,004,956 shares issued at June 30, 2017 and December		
31, 2016, respectively, and 163,314,091 and 161,620,590 shares outstanding at		
June 30, 2017 and December 31, 2016, respectively	16	16
Treasury stock, 384,366 ordinary shares at June 30, 2017 and December 31, 2016	(4,585)	(4,585)
Additional paid-in capital	2,177,377	2,119,455
Accumulated other comprehensive loss	(2,132)	(3,086)
Accumulated deficit	(1,141,908)	(848,021)
Total shareholders' equity	1,028,768	1,263,779
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$4,169,941	\$4,292,059

The accompanying notes are an integral part of these condensed consolidated financial statements.

HORIZON PHARMA PLC

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME

(UNAUDITED)

(In thousands, except share and per share data)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2017	2016	2017	2016
Net sales	\$289,507	\$257,378	\$510,366	\$462,068
Cost of goods sold	130,150	81,126	269,266	158,359
Gross profit	159,357	176,252	241,100	303,709
OPERATING EXPENSES:				
Research and development	163,101	11,210	176,162	23,932
Selling, general and administrative	181,923	133,575	355,988	275,514
Total operating expenses	345,024	144,785		