

IRONWOOD PHARMACEUTICALS INC

Form 10-Q

May 14, 2010

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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 March 31, 2010

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: 001-34620

IRONWOOD PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

04-3404176

(I.R.S. Employer
Identification Number)

320 Bent Street

Cambridge, Massachusetts

(Address of Principal Executive Offices)

02141

(Zip Code)

Registrant's telephone number, including area code: **(617) 621-7722**

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 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 the 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 May 1, 2010, there were 19,167,400 shares of Class A common stock outstanding and 78,838,622 shares of Class B common stock outstanding.

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IRONWOOD PHARMACEUTICALS, INC.

QUARTERLY REPORT ON FORM 10-Q

FOR THE QUARTER ENDED MARCH 31, 2010

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Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements****Ironwood Pharmaceuticals, Inc.****Condensed Consolidated Balance Sheets****(in thousands, except share and per share amounts)****(unaudited)**

	March 31,	December 31,
	2010	2009
Assets		
Current assets:		
Cash and cash equivalents	\$ 76,338	\$ 123,145
Available-for-sale securities	222,230	
Accounts receivable	192	12
Related party accounts receivable, net	4,531	5,222
Prepaid expenses and other assets	3,107	3,069
Total current assets	306,398	131,448
Restricted cash	8,162	8,431
Property and equipment, net	23,540	22,551
Other assets	30	21
Total assets	\$ 338,130	\$ 162,451
Liabilities and Stockholders Equity (Deficit)		
Current liabilities:		
Accounts payable	\$ 5,116	\$ 4,944
Accrued research and development costs	8,426	12,401
Accrued expenses	4,326	4,899
Current portion of long-term debt	1,166	1,310
Current portion of capital lease obligations	147	143
Current portion of deferred rent	196	180
Current portion of deferred revenue	35,607	32,560
Total current liabilities	54,984	56,437
Long-term debt, net of current portion	1,529	1,764
Capital lease obligations, net of current portion	74	112
Deferred rent, net of current portion	10,703	10,486
Deferred revenue, net of current portion	82,038	93,642
Commitments and contingencies (Note 8)		

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Convertible preferred stock, \$0.001 par value, no shares authorized at March 31, 2010 and 74,942,226 shares authorized at December 31, 2009, no shares issued and outstanding at March 31, 2010 and 69,904,843 shares issued and outstanding at December 31, 2009 (Note 3 and Note 9)		298,350
Stockholders' equity (deficit):		
Preferred stock, \$0.001 par value, 75,000,000 shares authorized, no shares issued and outstanding at March 31, 2010 and no shares authorized at December 31, 2009		
Class A common stock, \$0.001 par value, 500,000,000 and 98,530,700 shares authorized at March 31, 2010 and December 31, 2009, respectively, and 19,167,400 shares issued and outstanding at March 31, 2010 and no shares issued and outstanding at December 31, 2009	19	
Class B common stock, \$0.001 par value, 100,000,000 and 98,530,700 shares authorized at March 31, 2010 and December 31, 2009, respectively, 78,710,772 and 7,854,602 shares issued and outstanding at March 31, 2010 and December 31, 2009, respectively	79	8
Additional paid-in capital	516,403	12,999
Accumulated deficit	(330,483)	(314,559)
Accumulated other comprehensive loss	(99)	
Total Ironwood Pharmaceuticals, Inc. stockholders' equity (deficit)	185,919	(301,552)
Noncontrolling interest	2,883	3,212
Total stockholders' equity (deficit)	188,802	(298,340)
Total liabilities and stockholders' equity (deficit)	\$ 338,130	\$ 162,451

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

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Ironwood Pharmaceuticals, Inc.

Condensed Consolidated Statements of Operations

(in thousands, except share and per share amounts)

(unaudited)

	Three Months Ended March 31,	
	2010	2009
Revenue:		
Collaborative arrangements	\$ 8,838	\$ 4,450
Services	214	781
Total revenue	9,052	5,231
Operating expenses:		
Research and development	18,637	18,607
General and administrative	6,643	5,194