

EXELIXIS, INC.
Form 10-Q
May 04, 2016
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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 April 1, 2016

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: 000-30235

EXELIXIS, INC.

(Exact name of registrant as specified in its charter)

Delaware

04-3257395

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification Number)

210 East Grand Ave.

South San Francisco, CA 94080

(650) 837-7000

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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.

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 April 28, 2016, there were 228,739,657 shares of the registrant's common stock outstanding.

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QUARTERLY REPORT ON FORM 10-Q

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

EXELIXIS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share data)

	March 31, 2016 (unaudited)	December 31, 2015*
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 276,882	\$ 141,634
Short-term investments	45,235	25,426
Trade and other receivables	10,088	5,183
Inventory	2,472	2,616
Prepaid expenses and other current assets	4,791	3,806
Total current assets	339,468	178,665
Long-term investments	82,850	83,600
Long-term restricted cash and investments	2,650	2,650
Property and equipment, net	1,813	1,434
Goodwill	63,684	63,684
Other long-term assets	2,068	2,309
Total assets	\$ 492,533	\$ 332,342
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 5,657	\$ 6,401
Accrued clinical trial liabilities	16,135	18,071
Accrued collaboration liability	14,674	10,938
Accrued compensation and benefits	6,042	3,629
Other accrued liabilities	13,671	10,007
Current portion of convertible notes	27,500	—
Current portion of deferred revenue	14,371	—
Current portion of restructuring	3,017	3,205
Total current liabilities	101,067	52,251
Long-term portion of convertible notes	281,156	301,435
Term loan payable	80,000	80,000
Long-term portion of deferred revenue	184,431	—
Long-term portion of restructuring	516	1,385
Other long-term liabilities	1,317	1,575
Total liabilities	648,487	436,646
Commitments		
Stockholders' deficit:		
Preferred stock	—	—
Common stock, \$0.001 par value; 400,000,000 shares authorized; issued and outstanding: 228,681,197 and 227,960,943 shares at March 31, 2016 and December 31, 2015, respectively	228	228
Additional paid-in capital	1,842,248	1,832,741
Accumulated other comprehensive loss	(42)	(232)
Accumulated deficit	(1,998,388)	(1,937,041)
Total stockholders' deficit	(155,954)	(104,304)

Total liabilities and stockholders' deficit	\$492,533	\$332,342
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* The condensed consolidated balance sheet as of December 31, 2015 has been derived from the audited financial statements as of that date.

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

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EXELIXIS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share data)

(unaudited)

	Three Months Ended March 31,	
	2016	2015
Revenues:		
Net product revenues	\$9,099	\$9,388
License and contract revenues	6,328	—
Total revenues	15,427	9,388
Operating expenses:		
Cost of goods sold	685	766
Research and development	28,926	22,282
Selling, general and administrative	34,857	9,531
Restructuring charge (recovery)	94	(431)
Total operating expenses	64,562	32,148
Loss from operations	(49,135)	(22,760)
Other income (expense), net:		
Interest income and other, net	202	(7)
Interest expense	(12,414)	(12,403)
Total other income (expense), net	(12,212)	(12,410)
Net loss	\$(61,347)	\$(35,170)
Net loss per share, basic and diluted	\$(0.27)	\$(0.18)
Shares used in computing basic and diluted net loss per share	228,304	195,904

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

EXELIXIS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(in thousands)

(unaudited)

	Three Months Ended March 31,	
	2016	2015
Net loss	\$(61,347)	\$(35,170)
Other comprehensive income (1)	190	60
Comprehensive loss	\$(61,157)	\$(35,110)