

IRONWOOD PHARMACEUTICALS INC

Form 10-Q

November 09, 2011

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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 September 30, 2011

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)

301 Binney Street

Cambridge, Massachusetts

(Address of Principal Executive Offices)

02142

(Zip Code)

(617) 621-7722

(Registrant's telephone number, including area 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 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

Smaller reporting company

(Do not check if a 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 November 1, 2011, there were 59,875,478 shares of Class A common stock outstanding and 40,660,822 shares of Class B common stock outstanding.

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)

	September 30, 2011	December 31, 2010
Assets		
Current assets:		
Cash and cash equivalents	\$ 68,820	\$ 44,321
Available-for-sale securities	106,309	203,706
Accounts receivable	74	19
Related party accounts receivable, net	667	2,876
Prepaid expenses and other assets	2,896	5,320
Restricted cash		2,833
Total current assets	178,766	259,075
Restricted cash	7,647	7,647
Property and equipment, net	32,875	34,369
Other assets	192	274
Total assets	\$ 219,480	\$ 301,365
Liabilities and Stockholders Equity		
Current liabilities:		
Accounts payable	\$ 2,390	\$ 4,302
Accrued research and development costs	7,629	8,140
Accrued expenses	9,247	8,938
Current portion of capital lease obligations	228	197
Current portion of deferred rent	3,707	2,799
Current portion of deferred revenue	47,647	40,050
Total current liabilities	70,848	64,426
Capital lease obligations, net of current portion	481	393
Deferred rent, net of current portion	13,308	14,612
Deferred revenue, net of current portion	21,913	62,383
Commitments and contingencies (Note 8)		
Stockholders equity:		

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Preferred stock, \$0.001 par value, 75,000,000 shares authorized, no shares issued and outstanding

Class A common stock, \$0.001 par value, 500,000,000 shares authorized and 58,805,086 and 48,202,089 shares issued and outstanding at September 30, 2011 and December 31, 2010, respectively	59	48
Class B common stock, \$0.001 par value, 100,000,000 shares authorized and 41,684,472 and 50,970,247 shares issued and outstanding at September 30, 2011 and December 31, 2010, respectively	42	51
Additional paid-in capital	538,241	526,991
Accumulated deficit	(425,418)	(367,540)
Accumulated other comprehensive income	6	1
Total stockholders' equity	112,930	159,551
Total liabilities and stockholders' equity	\$ 219,480	\$ 301,365

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

Table of Contents**Ironwood Pharmaceuticals, Inc.****Condensed Consolidated Statements of Operations****(in thousands, except share and per share amounts)****(unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Collaborative arrangements revenue	\$ 12,218	\$ 9,059	\$ 33,717	\$ 27,085
Operating expenses:				
Research and development	22,905	18,742	61,869	56,188
General and administrative	10,929	6,482	30,958	18,868
Total operating expenses	33,834	25,224	92,827	75,056
Loss from operations	(21,616)	(16,165)	(59,110)	(47,971)
Other income (expense):				
Interest expense	(16)	(81)	(49)	(178)
Interest and investment income	105	188	384	445
Other income	897			