

IRONWOOD PHARMACEUTICALS INC

Form 10-Q

May 10, 2012

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**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, 2012

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   
(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, 2012, there were 75,387,167 shares of Class A common stock outstanding and 31,828,007 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, 2012**

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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)**

	<b>March 31,</b>		<b>December 31,</b>
	<b>2012</b>		<b>2011</b>
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 131,612	\$	87,282
Available-for-sale securities	70,496		76,734
Accounts receivable	109		74
Related party accounts receivable, net			578
Prepaid expenses and other current assets	4,048		2,899
Total current assets	206,265		167,567
Restricted cash	7,647		7,647
Property and equipment, net	35,140		33,625
Other assets	124		138
Total assets	\$ 249,176	\$	208,977
<b>Liabilities and Stockholders Equity</b>			
Current liabilities:			
Accounts payable	\$ 1,996	\$	6,436
Related party accounts payable, net	1,175		
Accrued research and development costs	7,958		7,010
Accrued expenses	11,598		11,122
Current portion of capital lease obligations	271		233
Current portion of deferred rent	4,350		4,042
Current portion of deferred revenue	24,935		36,291
Total current liabilities	52,283		65,134
Capital lease obligations, net of current portion	435		422
Deferred rent, net of current portion	11,964		12,435
Deferred revenue, net of current portion	20,348		21,130
Commitments and contingencies (Note 7)			
Stockholders equity:			

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Preferred stock, \$0.001 par value, 75,000,000 shares authorized, no shares issued and outstanding at March 31, 2012 and December 31, 2011

Class A common stock, \$0.001 par value, 500,000,000 shares authorized and 75,316,558 and 61,801,770 shares issued and outstanding at March 31, 2012 and December 31, 2011, respectively

75

62

Class B common stock, \$0.001 par value, 100,000,000 shares authorized and 31,675,966 and 38,914,080 shares issued and outstanding at March 31, 2012 and December 31, 2011, respectively

32

39

Additional paid-in capital

632,029

542,141

Accumulated deficit

(467,993)

(432,392)

Accumulated other comprehensive income

3

6

Total stockholders' equity

164,146

109,856

Total liabilities and stockholders' equity

\$

249,176

\$

208,977

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

Table of Contents**Ironwood Pharmaceuticals, Inc.****Condensed Consolidated Statements of Comprehensive Income (Loss)****(In thousands, except share and per share amounts)****(unaudited)**

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2012</b>	<b>2011</b>
Collaborative arrangements revenue	\$ 12,248	\$ 10,237
Operating expenses:		
Research and development	29,510	19,555
General and administrative	18,374	9,224
Total operating expenses	47,884	28,779
Loss from operations	(35,636)	(18,542)
Other income (expense):		
Interest expense	(14)	(16)
Interest and investment income	49	154
Other income	3	3
Other income (expense), net	35	141
Net loss	(35,601)	(18,401)
Other comprehensive income (loss):		
Unrealized gain (loss) on short-term investments	(3)	51
Other comprehensive income (loss)	(3)	51
Comprehensive loss	\$ (35,604)	\$ (18,350)
Net loss per share basic and diluted	\$ (0.34)	\$ (0.19)
Weighted average number of common shares used in net loss per share basic and diluted	103,751,060	