

SUPERNUS PHARMACEUTICALS INC

Form 10-Q

November 09, 2018

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 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, 2018

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: 001-35518

SUPERNUS PHARMACEUTICALS, INC.

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(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

20-2590184
(I.R.S. Employer
Identification No.)

1550 East Gude Drive, Rockville, MD
(Address of principal executive offices)

20850
(Zip Code)

(301) 838-2500

(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 Website, 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, a 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

Smaller reporting company

(Do not check if a 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

The number of outstanding shares of the registrant's common stock, par value \$0.001 per share, as of the close of business on November 1, 2018 was 52,257,013.

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SUPERNUS PHARMACEUTICALS, INC.

FORM 10-Q QUARTERLY REPORT

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2018

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(in thousands, except share amounts)

	September 30, 2018 (unaudited)	December 31, 2017
Assets		
Current assets		
Cash and cash equivalents	\$ 123,818	\$ 100,304
Marketable securities	156,407	39,736
Accounts receivable, net	77,753	65,586
Inventories, net	23,280	16,304
Prepaid expenses and other current assets	9,299	6,521
Total current assets	390,557	228,451
Long term marketable securities	460,304	133,638
Property and equipment, net	6,930	5,124
Intangible assets, net	32,572	36,019
Deferred income taxes	31,367	20,843
Other non-current assets	782	389
Total assets	\$ 922,512	\$ 424,464
Liabilities and stockholders equity		
Current liabilities		
Accounts payable	\$ 9,838	\$ 6,844
Accrued sales deductions	85,970	68,343
Accrued expenses	32,098	27,305
Income taxes payable	8,548	15,938
Non-recourse liability related to sale of future royalties, current portion	1,892	4,283
Deferred licensing revenue		287
Total current liabilities	138,346	123,000
Deferred licensing revenue, net of current portion		1,149
Convertible notes, net	325,666	
Non-recourse liability related to sale of future royalties, long term	23,305	22,258
Other non-current liabilities	13,259	10,577
Total liabilities	500,576	156,984
Stockholders equity		
Common stock, \$0.001 par value, 130,000,000 shares authorized at September 30, 2018 and December 31, 2017; 52,257,013 and 51,314,850 shares issued and outstanding at September 30, 2018 and December 31, 2017, respectively	52	51
Additional paid-in capital	365,396	294,999
Accumulated other comprehensive loss, net of tax	(4,111)	(747)
Retained earnings (accumulated deficit)	60,599	(26,823)
Total stockholders equity	421,936	267,480
Total liabilities and stockholders equity	\$ 922,512	\$ 424,464

See accompanying notes.

Table of Contents**Supernus Pharmaceuticals, Inc.****Consolidated Statements of Earnings****(in thousands, except share and per share data)**

	Three Months ended September 30,		Nine Months ended September 30,	
	2018	2017	2018	2017
	(unaudited)		(unaudited)	
Revenue				
Net product sales	\$ 100,227	\$ 78,066	\$ 286,377	\$ 207,763
Royalty revenue	2,769	2,010	5,836	4,338
Licensing revenue		322	750	1,702
Total revenue	102,996	80,398	292,963	213,803
Costs and expenses				
Cost of product sales	4,207	4,251	11,168	11,060
Research and development	20,422	12,980		