

LEXICON PHARMACEUTICALS, INC./DE
Form 10-Q
November 07, 2012
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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, 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: 000-30111

Lexicon Pharmaceuticals, Inc. (Exact Name of Registrant as Specified in its Charter)	
Delaware (State or Other Jurisdiction of Incorporation or Organization)	76-0474169 (I.R.S. Employer Identification Number)

8800 Technology Forest Place
The Woodlands, Texas 77381
(Address of Principal Executive Offices and Zip Code)

(281) 863-3000
(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 (§232.405 of this chapter) 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.

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Factors Affecting Forward Looking Statements

This quarterly report on Form 10-Q contains forward-looking statements. These statements relate to future events or our future financial performance. We have attempted to identify forward-looking statements by terminology including “anticipate,” “believe,” “can,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “show” or “will,” and the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks outlined under “Part II, Item 1A. - Risk Factors,” that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels or activity, performance or achievements expressed or implied by these forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. We are not under any duty to update any of the forward-looking statements after the date of this quarterly report on Form 10-Q to conform these statements to actual results, unless required by law.

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Part I – Financial Information

Item 1. Financial Statements

Lexicon Pharmaceuticals, Inc.

Consolidated Balance Sheets

(In thousands, except par value)

	As of September 30, 2012 (unaudited)	As of December 31, 2011
Assets		
Current assets:		
Cash and cash equivalents	\$20,759	\$186,309
Short-term investments, including restricted investments of \$430	186,089	95,383
Accounts receivable, net of allowances of \$35	233	350
Prepaid expenses and other current assets	9,004	3,748
Total current assets	216,085	285,790
Property and equipment, net of accumulated depreciation and amortization of \$83,412 and \$80,535, respectively	43,515	46,417
Goodwill	44,543	44,543
Other intangible assets	53,557	53,557
Other assets	135	205
Total assets	\$357,835	\$430,512
Liabilities and Equity		
Current liabilities:		
Accounts payable	\$4,306	\$6,042
Accrued liabilities	12,782	13,786
Current portion of deferred revenue	421	119
Current portion of long-term debt	1,542	1,443
Total current liabilities	19,051	21,390
Deferred revenue, net of current portion	13,910	14,212
Long-term debt	22,284	23,451
Deferred tax liabilities	18,745	18,745
Other long-term liabilities	31,086	55,146
Total liabilities	105,076	132,944
Commitments and contingencies		
Equity:		
Preferred stock, \$.01 par value; 5,000 shares authorized; no shares issued and outstanding	—	—
Common stock, \$.001 par value; 900,000 shares authorized; 494,874 and 480,389 shares issued, respectively	495	480
Additional paid-in capital	1,127,832	1,087,033
Accumulated deficit	(874,959)	(789,621)
Accumulated other comprehensive gain	21	21
Treasury stock, at cost, 380 and 218 shares, respectively	(630)	(345)
Total equity	252,759	297,568
Total liabilities and equity	\$357,835	\$430,512

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

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Lexicon Pharmaceuticals, Inc.

Consolidated Statements of Comprehensive Loss

(In thousands, except per share amounts)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Revenues:				
Collaborative research	\$214	\$335	\$565	\$1,312
Subscription and license fees	158	20	306	194
Total revenues	372	355	871	1,506
Operating expenses:				
Research and development, including stock-based compensation of \$923, \$823, \$2,875 and \$2,480, respectively	19,192	19,655	61,584	63,721
Increase in fair value of Symphony Icon, Inc. purchase liability	5,844	2,336	10,087	5,198
General and administrative, including stock-based compensation of \$669, \$609, \$2,030 and \$1,874, respectively	4,396	4,055	13,123	13,340
Total operating expenses	29,432	26,046	84,794	82,259
Loss from operations				