

ACORDA THERAPEUTICS INC
Form 10-Q
November 09, 2010
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2010
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 000-50513

ACORDA THERAPEUTICS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State of Incorporation)

13-3831168
(I.R.S. Employer
Identification Number)

15 Skyline Drive
Hawthorne, New York 10532
(914) 347-4300
(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 (§ 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.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller Reporting Company
(Do not check if a

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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
o No x

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at October 31, 2010
Common Stock, \$0.001 par value per share	39,079,688 shares

ACORDA THERAPEUTICS, INC.

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This Quarterly Report on Form 10-Q contains forward-looking statements relating to future events and our future performance within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Stockholders are cautioned that such statements involve risks and uncertainties. These forward-looking statements are based on current expectations, estimates, forecasts and projections about the industry and markets in which we operate and management's beliefs and assumptions. All statements, other than statements of historical facts, included in this report regarding our strategy, future operations, future financial position, future revenues, projected costs, prospects, plans and objectives of management are forward-looking statements. The words "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "will," "would," expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. We have included important factors in the cautionary statements included in this report and in the "Risk Factors" section in our Annual Report on Form 10-K for the year ended December 31, 2009 and our Form 10-Q for the quarter ended June 30, 2010, that we believe could cause actual results or events to differ materially from the forward-looking statements that we make. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments that we may make. We do not assume any obligation to update any forward-looking statements.

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PART I

Item 1. Financial Statements

ACORDA THERAPEUTICS, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

	September 30, 2010 (unaudited)	December 31, 2009
Assets		
Current assets:		
Cash and cash equivalents	\$82,404,827	\$47,314,412
Restricted cash	301,848	301,160
Short-term investments	163,412,360	224,778,023
Trade accounts receivable, net	18,228,831	5,739,013
Prepaid expenses	5,722,357	4,274,625
Finished goods inventory held by the Company	24,079,937	4,497,533
Finished goods inventory held by others	2,101,926	2,394,980
Other current assets	3,260,669	3,980,601
Total current assets	299,512,755	293,280,347
Property and equipment, net of accumulated depreciation	3,320,957	1,891,321
Intangible assets, net of accumulated amortization	22,013,430	17,148,631
Non-current portion of deferred cost of license revenue	6,215,001	6,710,001
Other assets	359,045	440,318
Total assets	\$331,421,188	\$319,470,618
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$17,363,236	\$11,613,434
Accrued expenses and other current liabilities	25,803,985	14,975,794
Deferred product revenue—Zanaflex tablets	8,709,065	9,214,742
Deferred product revenue—Zanaflex Capsules	20,617,977	21,489,081
Current portion of deferred license revenue	9,428,571	9,428,571
Current portion of revenue interest liability	6,381,187	6,178,697
Current portion of convertible notes payable	1,144,275	—
Total current liabilities	89,448,296	72,900,319
Non-current portion of deferred license revenue	88,785,714	95,857,142
Put/call liability	318,500	637,500
Non-current portion of revenue interest liability	4,374,627	5,630,862
Non-current portion of convertible notes payable	6,132,134	7,112,027
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.001 par value. Authorized 80,000,000 shares at September 30, 2010 and December 31, 2009; issued and outstanding 38,568,369 and 37,935,075 shares as of September 30, 2010 and December 31, 2009, respectively	38,569	37,935
Additional paid-in capital	586,058,355	565,503,101
Accumulated deficit	(443,757,145)	(428,316,881)
Accumulated other comprehensive income	22,138	108,613

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Total stockholders' equity	142,361,917	137,332,768
Total liabilities and stockholders' equity	\$331,421,188	\$319,470,618

See accompanying Unaudited Notes to Consolidated Financial Statements

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ACORDA THERAPEUTICS, INC. AND SUBSIDIARIES

Consolidated Statements of Operations

(unaudited)

	Three-month period ended September 30, 2010	Three-month period ended September 30, 2009	Nine-month period ended September 30, 2010	Nine-month period ended September 30, 2009
Revenues:				
Gross product sales	\$ 66,188,194	\$ 14,463,303	\$ 126,884,766	\$ 43,834,948
Less: discounts and allowances	(4,923,295)	(1,606,126)	(9,751,194)	(5,959,234)
Net sales	61,264,899	12,857,177	117,133,572	37,875,714
License revenue	2,357,143	2,357,144	7,071,428	2,357,144
Total net revenues	63,622,042	15,214,321	124,205,000	40,232,858
Costs and expenses:				
Cost of sales	11,666,020	2,602,064	22,573,938	8,112,490
Research and development	7,970,073	8,197,789	22,627,938	23,982,123