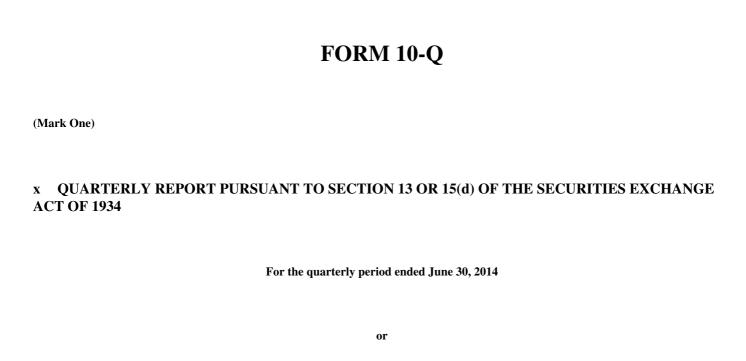
INCYTE CORP Form 10-Q July 31, 2014 Table of Contents

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549



o 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: 0-27488

INCYTE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

94-3136539

(IRS Employer Identification No.)

Experimental Station, Route 141 & Henry Clay Road,

Building E336, Wilmington, DE 19880 (Address of principal executive offices)

19880

(Zip Code)

(302) 498-6700

(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. x Yes o 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). x Yes o 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 x

Accelerated filer o

Non-accelerated filer o (Do not check if a smaller reporting company)

Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). o Yes x No

The number of outstanding shares of the registrant s Common Stock, \$0.001 par value, was 168,411,943 as of July 24, 2014.

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INCYTE CORPORATION

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PART I: FINANCIAL INFORMATION

Item 1. Financial Statements

INCYTE CORPORATION

Condensed Consolidated Balance Sheets

(in thousands)

		June 30, 2014 (unaudited)		December 31, 2013*	
ASSETS					
Current assets:					
Cash and cash equivalents	\$	406,264	\$	471,429	
Marketable securities available-for-sale		102,489		37,575	
Restricted investments		750		500	
Accounts receivable, net		47,205		35,374	
Inventory		269		406	
Deferred income taxes		900		895	
Prepaid expenses and other current assets		19,268		9,620	
Total current assets		577,145		555,799	
Restricted investments		14,250		14,500	
Inventory		15,591		14,937	
Property and equipment, net		55,607		26,848	
Other assets, net		16,514		17,484	
Total assets	\$	679,107	\$	629,568	
LIABILITIES AND STOCKHOLDERS DEFICIT					
Current liabilities:					
Accounts payable	\$	27,251	\$	19,102	
Accrued compensation	Ψ	19,683	Ψ	28,079	
Interest payable		1,850		1,909	
Accrued and other current liabilities		50,878		46.062	
Deferred revenue Collaborative agreements		12,885		12,890	
ŭ					
Total current liabilities		112,547		108,042	
Convertible senior notes		673,315		661,567	
Other liabilities		44,403		26,803	
Deferred income taxes		900		895	
Deferred neonic taxes Deferred revenue Collaborative agreements		18,940		25,369	
Deferred revenue Conautorative agreements		10,940		25,309	
Total liabilities		850,105		822,676	
Stockholders deficit:					

Preferred stock, \$0.001 par value; 5,000,000 shares authorized; none issued or outstanding as of June 30,2014 and December 31,2013

of same 50, 2011 and December 51, 2015		
Common stock, \$0.001 par value; 400,000,000 shares authorized; 168,376,131		
and 162,984,680 shares issued and outstanding as of June 30, 2014 and December 31, 2013,		
respectively	168	163
Additional paid-in capital	1,634,621	1,541,773
Accumulated other comprehensive gain	2,080	1,993
Accumulated deficit	(1,807,867)	(1,737,037)
Total stockholders deficit	(170,998)	(193,108)
Total liabilities and stockholders deficit	\$ 679,107 \$	629,568

^{*} The condensed consolidated balance sheet at December 31, 2013 has been derived from the audited financial statements at that date.

See accompanying notes.

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INCYTE CORPORATION

Condensed Consolidated Statements of Operations

(in thousands, except per share amounts)

(unaudited)

	Three Mont	Three Months Ended June 30,		Six Months Ended June 30,		
	June					
	2014	2013	2014	2013		
Revenues:			&nb	sp		