

EXELIXIS, INC.
Form 10-Q
August 01, 2018
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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 June 29, 2018

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 000-30235

EXELIXIS, INC.

(Exact name of registrant as specified in its charter)

Delaware

04-3257395

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification Number)

1851 Harbor Bay Parkway

Alameda, CA 94502

(650) 837-7000

(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 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 (Do not check if a smaller reporting company) 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 7(a)(2)(B) of the Securities Act.

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 July 24, 2018, there were 298,035,458 shares of the registrant's common stock outstanding.

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EXELIXIS, INC.

QUARTERLY REPORT ON FORM 10-Q

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

EXELIXIS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share data)

(unaudited)

	June 30, 2018	December 31, 2017*
ASSETS		
Current assets:		
Cash and cash equivalents	\$248,407	\$183,164
Short-term investments	251,516	204,607
Short-term restricted cash and investments	504	504
Trade and other receivables, net	167,161	81,192
Inventory, net	8,371	6,657
Prepaid expenses and other current assets	10,327	8,750
Total current assets	686,286	484,874
Long-term investments	94,396	64,255
Long-term restricted cash and investments	1,100	4,646
Property and equipment, net	64,744	25,743
Goodwill	63,684	63,684
Other long-term assets	948	12,092
Total assets	\$911,158	\$655,294
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$13,023	\$9,575
Accrued compensation and benefits	21,538	21,073
Accrued clinical trial liabilities	16,801	19,849
Rebates and fees due to customers	11,143	7,565
Accrued collaboration liabilities	7,713	8,974
Current portion of deferred revenue	5,939	31,984
Other current liabilities	23,787	16,150
Total current liabilities	99,944	115,170
Long-term portion of deferred revenue	11,970	238,520
Financing obligation for build-to-suit lease	20,646	14,530
Other long-term liabilities	3,630	2,113
Total liabilities	136,190	370,333
Commitments		
Stockholders' equity:		
Preferred stock, \$0.001 par value, 10,000,000 shares authorized and no shares issued	—	—
Common stock, \$0.001 par value; 400,000,000 shares authorized; issued and outstanding: 297,892,180 and 296,209,426 at June 30, 2018 and December 31, 2017, respectively	298	296
Additional paid-in capital	2,142,717	2,114,184
Accumulated other comprehensive loss	(731)	(347)
Accumulated deficit	(1,367,316)	(1,829,172)
Total stockholders' equity	774,968	284,961
Total liabilities and stockholders' equity	\$911,158	\$655,294

*The Condensed Consolidated Balance Sheet as of December 31, 2017 has been derived from the audited financial statements as of that date.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

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EXELIXIS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share data)

(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Revenues:				
Net product revenues	\$ 145,836	\$ 88,004	\$ 280,108	\$ 156,881
Collaboration revenues	40,272	11,004	119,719	23,014
Total revenues	186,108	99,008	399,827	179,895
Operating expenses:				
Cost of goods sold	5,997	3,014	11,636	6,217
Research and development	42,488	28,214	80,245	51,424
Selling, general and administrative	51,853	40,667	105,869	74,955
Total operating expenses	100,338	71,895	197,750	132,596
Income from operations	85,770	27,113	202,077	47,299
Other income (expense), net:				
Interest income	2,697	1,251	4,592	2,364
Interest expense	—	(4,259)	—	(8,679)
Other, net				