

ARENA PHARMACEUTICALS INC
Form 10-Q
November 09, 2016

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, 2016

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: 000-31161

ARENA PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	23-2908305 (I.R.S. Employer Identification No.)
6154 Nancy Ridge Drive, San Diego, CA (Address of principal executive offices)	92121 (Zip Code)

858.453.7200

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(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.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) 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 No

The number of shares of common stock outstanding as of the close of business on November 4, 2016:

Class	Number of Shares Outstanding
Common Stock, \$0.0001 par value	243,313,807

ARENA PHARMACEUTICALS, INC.

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TRADEMARKS AND CERTAIN TERMS

Arena Pharmaceuticals®, Arena® and our corporate logo are registered service marks of Arena. BELVIQ®, BELVIQ XR®, and VENESPRI® are registered trademarks of our wholly owned subsidiary, Arena Pharmaceuticals GmbH. Any other brand names or trademarks appearing in this Quarterly Report on Form 10-Q are the property of their respective holders.

In this Quarterly Report on Form 10-Q, “Arena Pharmaceuticals,” “Arena,” “the Company,” “we,” “us” and “our” refer to Arena Pharmaceuticals, Inc., and our wholly owned subsidiaries on a consolidated basis, unless the context otherwise provides. “APD” is an abbreviation for Arena Pharmaceuticals Development.

Lorcaserin has been approved in the United States, South Korea and Mexico for weight management in a twice-a-day dosage formulation. The twice-a-day dosage formulation is being commercialized in the United States and South Korea under the brand name BELVIQ, and is expected to be commercialized in Mexico under the brand name VENESPRI. Lorcaserin has also recently been approved in the United States in a once-a-day dosage formulation, which is BELVIQ XR. In this document, “BELVIQ” refers to each of the formulations of lorcaserin approved for weight management, unless the context otherwise indicates.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

ARENA PHARMACEUTICALS, INC.

Condensed Consolidated Balance Sheets

(In thousands)

	September 30, 2016	December 31, 2015
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 101,629	\$ 156,184
Accounts receivable	18,304	4,934
Inventory	10,166	9,502
Prepaid expenses and other current assets	4,768	4,218
Total current assets	134,867	174,838
Land, property and equipment, net	64,980	71,828
Intangibles, net	7,518	7,775
Other non-current assets	2,883	2,351
Total assets	\$ 210,248	\$ 256,792
Liabilities and Equity		
Current liabilities:		
Accounts payable and other accrued liabilities	\$ 14,767	\$ 8,334
Accrued clinical and preclinical study fees	6,532	3,286
Payable to Eisai	12,065	12,080
Accrued restructuring charges	1,244	1,793
Current portion of deferred revenues	22,522	21,425
Current portion of lease financing obligations	3,378	2,978
Total current liabilities	60,508	49,896
Other long-term liabilities	853	470
Deferred revenues, less current portion	82,132	87,617
Lease financing obligations, less current portion	62,678	65,267
Commitments and contingencies		