

Jazz Pharmaceuticals plc
Form 10-Q
August 06, 2013
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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 June 30, 2013

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: 001-33500

JAZZ PHARMACEUTICALS PUBLIC LIMITED COMPANY

(Exact name of registrant as specified in its charter)

Ireland

98-1032470

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

Fourth Floor, Connaught House,
One Burlington Road, Dublin 4, Ireland
011-353-1-634-7800

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Ordinary shares, nominal value \$0.0001 per share	The NASDAQ Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act:

None

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, 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 ☒

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As of July 22, 2013, 58,153,546 ordinary shares of the registrant, nominal value \$0.0001 per share, were outstanding.

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JAZZ PHARMACEUTICALS PLC
QUARTERLY REPORT ON FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 2013

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We own or have rights to various copyrights, trademarks, and trade names used in our business in the United States and/or other countries, including the following: Jazz Pharmaceuticals®, Xyrem® (sodium oxybate) oral solution, Xyrem Success Program®, FazaClo® (clozapine, USP), Luvox CR® (fluvoxamine maleate) Extended-Release Capsules, Luvox® (fluvoxamine maleate), Versacloz™ (clozapine, USP) oral suspension, Prialt® (ziconotide) intrathecal infusion, Niravam® (orally disintegrating tablet presentation of alprazolam), Parcopa® (orally disintegrating tablet presentation of carbidopa/levodopa), Erwinaze® (asparaginase Erwinia chrysanthemi), Erwinase®, Asparec (mPEG-r-crisantaspase), Leukotac (inolimomab), ProstaScint® (capromab pendetide), Quadramet® (samarium sm 153 lexidronam injection), Caphosol® (supersaturated calcium phosphate rinse), Collatamp (lyophilized collagen implant impregnated with the aminoglycoside antibiotic gentamicin), Fomepizole, Kidrolase (Escherichia coli L-asparaginase), Xenazine® (tetrabenazine), Custodiol® (solution HTK) and NAVIGATOR Reimbursement and Access Program™. This report also includes trademarks, service marks, and trade names of other companies.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

JAZZ PHARMACEUTICALS PLC

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands)

(Unaudited)

	June 30, 2013	December 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$504,307	\$387,196
Accounts receivable, net	114,075	75,480
Inventories	28,130	26,525
Prepaid expenses	21,410	7,445
Deferred tax assets, net	46,538	35,813
Other current assets	19,716	19,113
Total current assets	734,176	551,572
Property and equipment, net	10,768	7,281
Intangible assets, net	822,976	869,952
Goodwill	439,014	442,600
Deferred tax assets, net, non-current	65,136	74,850
Deferred financing costs	16,308	16,576
Other non-current assets	5,502	3,662
Total assets	\$2,093,880	\$1,966,493
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$20,367	\$15,887
Accrued liabilities	96,771	104,666
Current portion of long-term debt	5,572	29,688
Income taxes payable	17,539	39,884
Contingent consideration	42,700	—
Deferred tax liability, net	259	275
Deferred revenue	1,138	1,138
Total current liabilities	184,346	191,538
Deferred revenue, non-current	6,283	6,776
Long-term debt, less current portion	546,724	427,073
Contingent consideration, non-current	—	34,800
Deferred tax liability, net, non-current	167,744	178,393
Other non-current liabilities	13,330	6,621
Commitments and contingencies (Note 7)		
Shareholders' equity:		
Ordinary shares	6	6
Non-voting euro deferred shares	55	55
Capital redemption reserve	471	471
Additional paid-in capital	1,184,965	1,151,010
Accumulated other comprehensive income	19,220	31,046
Accumulated deficit	(29,264)	(61,296)

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Total shareholders' equity	1,175,453	1,121,292
Total liabilities and shareholders' equity	\$2,093,880	\$1,966,493

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

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JAZZ PHARMACEUTICALS PLC
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share amounts)

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Revenues:				
Product sales, net	\$206,564	\$123,002	\$401,216	\$224,454
Royalties and contract revenues	1,688	1,229	3,273	2,307
Total revenues	208,252	124,231	404,489	226,761
Operating expenses:				
Cost of product sales (excluding amortization of acquired developed technologies)	25,031	12,289	52,251	20,033
Selling, general and administrative	77,506	57,224	148,034	