

Allergan plc
Form 10-Q
August 06, 2015

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 30, 2015

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	Exact name of registrant as specified in its charter, principal office and address and telephone number	State of incorporation or organization	I.R.S. Employer Identification No.
001-36867	Allergan plc Clonshaugh Business and Technology Park Coolock, Dublin, D17 E400, Ireland (862) 261-7000	Ireland	98-1114402
001-36887	Warner Chilcott Limited Cannon's Court 22 Victoria Street	Bermuda	98-0496358

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Hamilton HM 12
 Bermuda
 (441) 295-2244

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:

Allergan plc YES NO
 Warner Chilcott Limited 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).

Allergan plc YES NO
 Warner Chilcott Limited 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. (Check one):

Allergan plc	Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
	Non-accelerated filer (Do not check if a smaller reporting company)	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Warner Chilcott Limited	Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
	Non-accelerated filer (Do not check if a smaller reporting company)	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Allergan plc YES NO
 Warner Chilcott Limited YES NO

Number of shares of Allergan plc’s Ordinary Shares outstanding on July 31, 2015: 393,635,637. There is no trading market for securities of Warner Chilcott Limited, all of which are indirectly wholly owned by Allergan plc.

This Quarterly Report on Form 10-Q is a combined report being filed separately by two different registrants: Allergan plc and Warner Chilcott Limited. Warner Chilcott Limited is an indirect wholly owned subsidiary of Allergan plc. The information in this Quarterly Report on Form 10-Q is equally applicable to Allergan plc and Warner Chilcott Limited, except where otherwise indicated. Warner Chilcott Limited meets the conditions set forth in General Instruction H(1)(a) and (b) of Form 10-Q and, to the extent applicable, is therefore filing this form with a reduced disclosure

format.



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PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS
ALLERGAN PLC

CONSOLIDATED BALANCE SHEETS

(Unaudited; in millions, except par value)

	June 30, 2015	December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$1,517.9	\$250.0
Marketable securities	8.5	1.0
Accounts receivable, net	4,420.1	2,372.3
Inventories	2,786.0	2,075.5
Prepaid expenses and other current assets	1,004.8	733.4
Current assets held for sale	38.0	949.2
Deferred tax assets	711.6	500.3
Total current assets	10,486.9	6,881.7
Property, plant and equipment, net	2,859.0	1,594.7
Investments and other assets	530.3	235.4
Deferred tax assets	113.6	107.4
Product rights and other intangibles	72,825.0	19,188.4
Goodwill	51,596.3	24,521.5
Total assets	\$138,411.1	\$52,529.1
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$5,945.0	\$4,170.6
Income taxes payable	70.4	50.4
Current portion of long-term debt and capital leases	1,550.9	697.4
Deferred revenue	25.7	27.0
Current liabilities held for sale	—	25.9
Deferred tax liabilities	57.5	47.3
Total current liabilities	7,649.5	5,018.6
Long-term debt and capital leases	41,319.4	14,846.3
Deferred revenue	56.4	38.8
Other long-term liabilities	1,167.5	335.8
Other taxes payable	907.7	892.2
Deferred tax liabilities	15,236.1	3,061.9
Total liabilities	66,336.6	24,193.6

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Commitments and contingencies

Equity:

Preferred shares, \$0.0001 par value per share, 5.1 million shares authorized, 5.1 million and zero shares issued and outstanding, respectively	4,929.7	—
Ordinary shares; \$0.0001 par value per share; 1,000.0 million shares authorized, 393.1 million and 265.9 million shares issued and outstanding, respectively	—	—
Additional paid-in capital	68,103.1	28,994.7
(Accumulated deficit)	(953.3)	(198.2)
Accumulated other comprehensive (loss)	(10.4)	(465.4)
Total shareholders' equity	72,069.1	28,331.1
Noncontrolling interest	5.4	4.4
Total equity	72,074.5	28,335.5
Total liabilities and equity	\$ 138,411.1	\$ 52,529.1

See accompanying Notes to Consolidated Financial Statements.

ALLERGAN PLC

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited; in millions, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net revenues	\$5,755.0	\$2,667.2	\$9,989.2	\$5,322.3
Operating expenses:				
Cost of sales (excludes amortization and impairment of acquired intangibles including product rights)	2,130.1	1,296.5	3,843.5	2,589.5
Research and development	454.9	158.0	885.9	329.5
Selling and marketing	981.0	291.5	1,716.5	574.6
General and administrative	480.2	270.1	1,173.2	545.9
Amortization	1,673.5	422.9	2,598.9	847.1
In-process research and development impairments	197.6	16.3	197.6	16.3
Asset sales and impairments, net	0.6	5.8	58.4	5.4
Total operating expenses	5,917.9	2,461.1	10,474.0	4,908.3
Operating (loss) / income	(162.9)	206.1	(484.8)	414.0
Interest income	2.6	1.2	4.4	2.2
Interest expense	(339.9)	(79.1)	(511.8)	(151.9)
Other (expense) income, net	(48.7)	(35.8)	(246.7)	(30.8)
Total other income (expense), net	(386.0)	(113.7)	(754.1)	(180.5)
(Loss) / income before income taxes and noncontrolling interest	(548.9)	92.4	(1,238.9)	233.5
(Benefit) / provision for income taxes	(307.3)	43.6	(485.0)	88.0
Net (loss) / income	(241.6)	48.8	(753.9)	145.5
(Income) attributable to noncontrolling interest	(1.5)	(0.1)	(1.2)	(0.3)
Net (loss) attributable to shareholders	(243.1)	48.7	(755.1)	