

Dendreon Corporation has filed for bankruptcy protection...

Let's see what the reporting history shows!

Dendreon Corporation

Suite 3200, 1301 2nd Avenue
SEATTLE, WA 98101 United States

Phone: (206) 219-7815 Ticker: **DNDN**

Filed for Bankruptcy on 11/10/2014
Case #14-12515, filed in the U.S. Bankruptcy Court for the District of Delaware

Latest Financial Statements as of 9/30/2014

Business Summary

Dendreon Corporation (Dendreon) is a biotechnology company focused on the discovery, development and commercialization of therapeutics that may significantly improve cancer treatment options for patients. The Company's product portfolio includes active cellular immunotherapies and a small molecule product candidate that could be applicable to treating multiple types of cancers. PROVENGE (sipuleucel-T), is the Company's first commercialized product approved by the United States Food and Drug Administration (FDA), and is a autologous cellular immunotherapy for the treatment of asymptomatic or minimally symptomatic, metastatic, castrate-resistant (hormone-refractory) prostate cancer. The Company owns worldwide rights for PROVENGE. Other product candidates the Company has under development include its investigational active cellular immunotherapy, DN24-02. The Company completed its Phase I clinical trial in April 2012 to evaluate Transient Receptor Potential, sub-family M (TRPM8).

(Source: 10-K)

Employees: 755 (as of 12/31/2013) Federal Tax Id: 223203193

Credit Scores

FRISK® Score	2	11/10/2014
Probability of bankruptcy range: 4.00% - 9.99%		
Z" Score	-21.87 (Fiscal danger)	9/30/2014

Auditor Information

Last Audit: 12/31/2013
Auditors: Ernst & Young LLP
Opinion: **Unqualified**

DBT Index

8/2014	9/2014	10/2014
9	9	9

(Includes DBT Indexes from Subsidiaries)

Net Sales (millions)

9/13	12/13	3/14	6/14	9/14
68.00	74.84	68.78	82.21	73.12

Working Capital (millions)

9/13	12/13	3/14
207.0	180.0	159.8

Days Sales Outstanding

9/13	12/13	3/14
162.0	162.0	162.0

Third Quarter and Year-to-Date Results

Sales for the 3 months ended 9/30/2014 increased 7.53% amount of \$68.00 million. Sales for the 9 months ended 9/30/2014 increased 7.53% amount of \$208.91 million for the same period last year.

Gross profit margin increased 78.10% for the period to 37.1% (30.98% of revenues) for the same period last year. Gross profit for the 9 months ended 9/30/2014 increased 80.04% to \$114.02 million (50.87% of revenues) from \$74.81 million for the same period last year.

Selling, general and administrative expenses for the period decreased 36.05% to \$56.21 million for the same period last year. Selling, general and administrative expenses for the 9 months ended 9/30/2014 decreased 36.05% to \$118.62 million from \$184.78 million for the same period last year.

Operating income for the period increased 83.81% to (\$8.73) million compared with operating income of (\$53.91) million for the same period last year. Operating income for the year-to-date period increased 80.04% to (\$33.47) million compared with operating income of (\$167.71) million for the equivalent 9 months last year.

Net loss for the period decreased 67.17% to (\$22.07) million compared with net loss of (\$67.22) million for the same period last year. Net loss for the year-to-date period decreased 64.57% to (\$73.72) million compared with net loss of (\$208.06) million for the equivalent 9 months last year.

Net cash from operating activities was (\$54.99) million for the 9 month period, compared to net cash from operating activities of (\$184.78) million for last year's comparable period.

Working capital at 9/30/2014 of \$159.21 million decreased 11.54% from the prior year end's balance of \$179.99 million, and decreased 23.09% from \$207.02 million at the end of last year's same period.

Inventories increased by \$12.09 million for the year-to-date period, compared to a \$19.82 million increase in the prior year's comparable period.

Accounts payable increased by \$2.22 million for the year-to-date period, compared to a \$4.96 million decrease in the prior year's comparable period.

The DBT Index does not signal any financial trouble, as the Company was making consistent payments right up to the bankruptcy... the FRISK® paints the real picture with 95% accuracy...

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The Altman Z" is deep in the red and prematurely signals financial trouble for the Company...

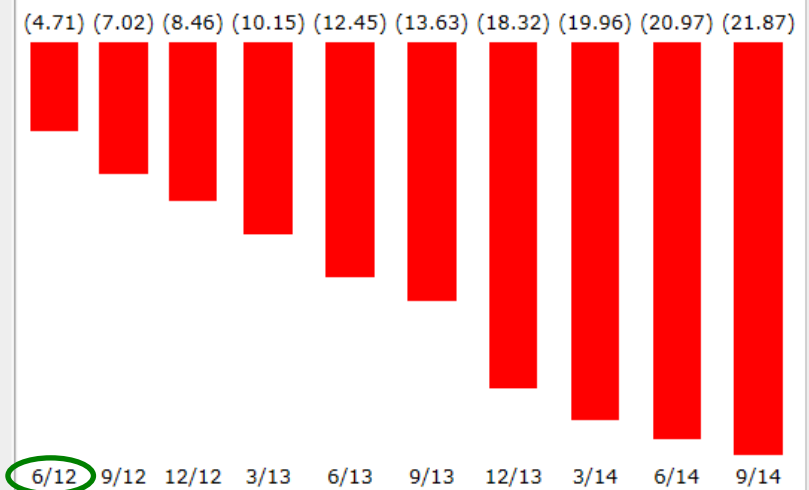
LEGEND:

Financially sound: 2.60 or higher

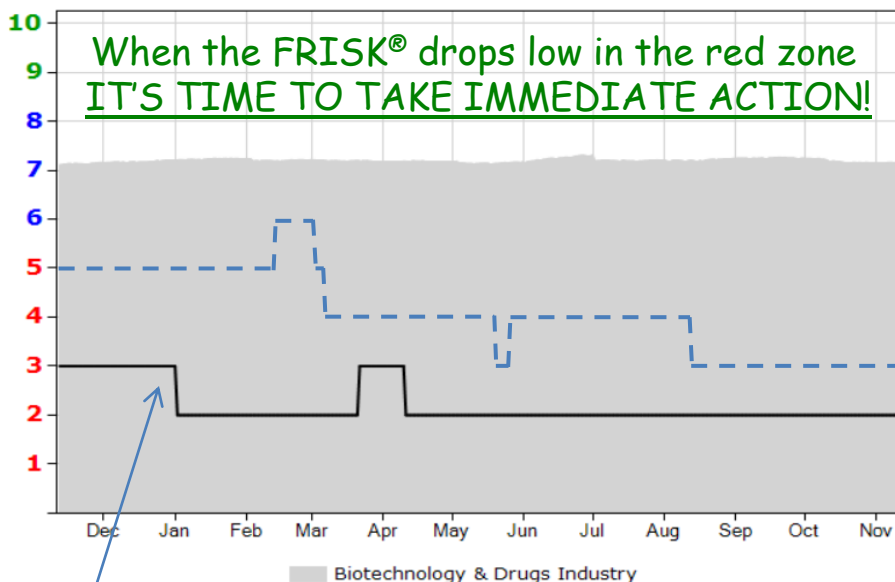
Neutral: 1.10 to 2.60

Fiscal danger: less than 1.10

Z" Score



The current FRISK® score is 2 (probability of bankruptcy* 4.00% - 9.99%), near its 13-month average but below its industry average.



The **FRISK® Score** is reported on a 1 to 10 scale:

Note: at the end of July 2014, CreditRiskMonitor implemented a new and improved version of the FRISK® score*. The new score is shown above in the solid black line. The dotted blue line was the previous version of the score.

	FRISK®	Probability of bankruptcy within 12 months	
		From	To
Best	10	0.00%	0.12%
	9	0.12%	0.27%
	8	0.27%	0.34%
	7	0.34%	0.55%
	6	0.55%	0.87%
	5	0.87%	1.40%
	4	1.40%	2.10%
	3	2.10%	4.00%
	2	4.00%	9.99%
Worst	1	9.99%	50.00%

***Accuracy improves from 90% to 95%.**

CreditRiskMonitor

(845) 230-3000
info@crmz.com

...plus looking at our News Alerts you would have seen...

News Summary (<input checked="" type="radio"/> CRMZ selected <input type="radio"/> Moody's <input type="radio"/> Fitch <input type="radio"/> All) Next Page				
#	Date	Source	Headline	
1	11/12/2014	CRMZ News Service	Dendreon Corporation -- updated financials available	i
2	11/12/2014	CRMZ News Service	DENDREON CORP FILES (8-K) Disclosing Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing	i
3	11/10/2014	CRMZ News Service	Dendreon to Pursue Sale or Reorganization in Bankruptcy	i
4	11/10/2014	CRMZ News Service	DENDREON CORP: a Form 10-Q has been Filed with the SEC	i
5	11/10/2014	CRMZ News Service	DENDREON CORP FILES (8-K) Disclosing Entry into a Material Definitive Agreement, Bankruptcy or Receivership, Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligatio	i
6	11/10/2014	Business Wire	Dendreon Reaches Agreements on Terms of Financial Restructuring	i
7	9/24/2014	CRMZ News Service	Dendreon Corporation -- updated financials available	i
8	8/25/2014	CRMZ News Service	Companies To Watch: Dendreon Corp., Mashantucket Pequot Gaming Enterprise	i
9	8/18/2014	Business Wire	SPDR® S&P Biotech ETF Receives Settlement Payment	i
10	8/11/2014	CRMZ News Service	DENDREON CORP: a Form 10-Q has been Filed with the SEC	i
11	7/30/2014	CRMZ News Service	DENDREON CORP FILES (8-K) Disclosing Change in Directors or Principal Officers, Financial Statements and Exhibits	i
12	6/18/2014	CRMZ News Service	DENDREON CORP FILES (8-K) Disclosing Termination of a Material Definitive Agreement	i
13	6/9/2014	CRMZ News Service	DENDREON CORP FILES (8-K) Disclosing Change in Directors or Principal Officers, Financial Statements and Exhibits	i
14	5/30/2014	CRMZ News Service	Dendreon Corporation -- updated financials available	i
15	5/21/2014	CRMZ News Service	DENDREON CORP FILES (8-K) Disclosing Submission of Matters to a Vote of Security Holders	i
16	5/8/2014	CRMZ News Service	DENDREON CORP: a Form 10-Q has been Filed with the SEC	i
17	5/8/2014	CRMZ News Service	DENDREON CORP FILES (8-K) Disclosing Results of Operations and Financial Condition, Financial Statements and Exhibits	i
18	3/8/2014	CRMZ News Service	Dendreon Corporation -- updated financials available	i
19	3/7/2014	CRMZ News Service	DENDREON CORP FILES (8-K) Disclosing Change in Directors or Principal Officers	i
20	3/3/2014	CRMZ News Service	DENDREON CORP: a Form 10-K has been Filed with the SEC	i
21	3/3/2014	CRMZ News Service	DENDREON CORP FILES (8-K) Disclosing Results of Operations and Financial Condition, Financial Statements and Exhibits	i
22	2/6/2014	CRMZ News Service	DENDREON CORP FILES (8-K) Disclosing Change in Directors or Principal Officers	i
23	1/21/2014	CRMZ News Service	DENDREON CORP FILES (8-K) Disclosing Change in Directors or Principal Officers	i
24	1/13/2014	CRMZ News Service	DENDREON CORP FILES (8-K) Disclosing Change in Directors or Principal Officers	i

The Dow Jones Daily Bankruptcy Review adds the company to its watch list, as a result of the Company's default warning

2014 Q2 10-Q filing - YTD Net Loss of \$51.7MM; Company warns of possible default on its 2016 Notes due January 15, 2016

Company's President and Chief Executive Officer tenders his resignation

2014 Q1 10-Q filing - Net Loss of \$36.4 MM

FY2013 Annual Net Loss of \$296.8MM

Company's Executive Vice President, Corporate Development, General Counsel and Secretary, resigns

Company's Executive Vice President of Research and Development and Chief Medical Officer resigns

Executive Vice President, Commercial Operations, notifies the Company of his departure

...need more depth? Look at the Quarterly Performance Ratios

Unprofitable...

Performance Ratios - Sequential Quarters					
(Thousands of U.S. Dollars)					
Period Ended	3 mos 9/30/2014	3 mos 6/30/2014	3 mos 3/31/2014	3 mos 12/31/2013	3 mos 9/30/2013
Net Sales \$	\$73,123	\$82,211	\$68,780	\$74,835	\$68,002
% change	-11.05%	19.53%	-8.09%	10.05%	-7.25%
Gross Margin \$	\$37,524	\$44,340	\$32,151	\$42,613	\$21,069
% change	-15.37%	37.91%	-24.55%	102.25%	-28.62%
% of sales	51.32%	53.93%	46.74%	56.94%	30.98%
change as % of incremental sales	n/m	90.75%	n/m	315.29%	n/m
SG&A \$	\$34,295	\$44,939	\$39,389	\$47,363	\$56,207
% change	-23.69%	14.09%	-16.84%	-15.73%	-15.90%
% of sales	46.90%	54.66%	57.27%	63.29%	82.65%
change as % of incremental sales	n/m	41.32%	n/m	-129.43%	n/m
Operating margin \$	(\$8,726)	(\$1,669)	(\$23,079)	(\$75,314)	(\$53,905)
% change	-422.83%	92.77%	69.36%	-39.72%	2.30%
% of sales	-11.93%	-2.03%	-33.55%	-100.64%	-79.27%
change as % of incremental sales	n/m	159.41%	n/m	-313.32%	n/m
EBITDA \$	(\$2,886)	\$4,303	(\$16,484)	(\$68,471)	(\$45,807)
% change	-167.07%	126.10%	75.93%	-49.48%	2.90%
% of sales	-3.95%	5.23%	-23.97%	-91.50%	-67.36%
change as % of incremental sales	n/m	154.77%	n/m	-331.68%	n/m
Pre-tax income \$	(\$22,069)	(\$15,269)	(\$36,384)	(\$88,742)	(\$67,215)
% change	-44.53%	58.03%	59.00%	-32.03%	2.36%
% of sales	-30.18%	-18.57%	-52.90%	-118.58%	-98.84%
change as % of incremental sales	n/m	157.21%	n/m	-315.04%	n/m
Net income (loss) \$	(\$22,069)	(\$15,269)	(\$36,384)	(\$88,742)	(\$67,215)
% change	-44.53%	58.03%	59.00%	-32.03%	2.36%
% of sales	-30.18%	-18.57%	-52.90%	-118.58%	-98.84%
change as % of incremental sales	n/m	157.21%	n/m	-315.04%	n/m
Depreciation expense \$	\$5,900	\$5,977	\$6,600	\$6,999	\$8,108
% of sales	8.07%	7.27%	9.60%	9.35%	11.92%
% of capital expenses	2,322.83%	834.78%	6,346.15%	3,645.31%	2,675.91%
% of PP&E, net (annualized)	21.34%	20.60%	21.65%	21.76%	23.84%
Capital expenditures \$	\$254	\$716	\$104	\$192	\$303
% change	-64.53%	588.46%	-45.83%	-36.63%	-91.98%
% of PP&E, net (annualized)	0.92%	2.47%	0.34%	0.60%	0.89%
% of working capital (annualized)	0.63%	1.78%	0.24%	0.40%	0.53%
Interest coverage ratio	(0.22)	0.32	(1.23)	(5.12)	(3.40)
% change	-168.54%	125.68%	76.00%	-50.28%	-0.19%
Free cash flow \$	(\$23,436)	(\$4,550)	(\$28,081)	(\$32,801)	(\$45,772)
% change	-415.08%	83.80%	14.39%	28.34%	17.20%
Source:	10-Q 11/10/2014	10-Q 8/11/2014	10-Q 5/8/2014	10-K 3/3/2014	10-Q 11/12/2013

Consistently negative free cash flow
sounds loud alarm bells!

...need more depth? Look at the Quarterly Leverage Ratios

Shareholders' equity is deep in the red...

Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	9/30/2014	6/30/2014	3/31/2014	12/31/2013	9/30/2013
Total debt \$	\$594,612	\$588,237	\$609,680	\$603,566	\$597,580
% change	1.08%	-3.52%	1.01%	1.00%	0.96%
Stockholders' equity \$	(\$320,469)	(\$299,809)	(\$286,255)	(\$247,651)	(\$161,157)
% change	-6.89%	-4.73%	-15.59%	-53.67%	-60.41%
Tangible net worth \$	(\$320,469)	(\$299,809)	(\$286,255)	(\$247,651)	(\$161,157)
% change	-6.89%	-4.73%	-15.59%	-53.67%	-60.41%
Total assets \$	\$340,263	\$364,629	\$399,811	\$434,401	\$522,140
% change	-6.68%	-8.80%	-7.96%	-16.80%	-9.49%
Total debt to assets ratio	1.75	1.61	1.52	1.39	1.14
% change	8.33%	5.79%	9.75%	21.40%	11.55%
Net tangible assets \$	\$340,263	\$364,629	\$399,811	\$434,401	\$522,140
% change	-6.68%	-8.80%	-7.96%	-16.80%	-9.49%
Short-term debt \$	\$3,114	\$3,093	\$30,763	\$30,746	\$30,714
% change	0.68%	-89.95%	0.06%	0.10%	-0.45%
Short-term debt % of total debt	0.52%	0.53%	5.05%	5.09%	5.14%
% change	-0.40%	-89.58%	-0.95%	-0.89%	-1.40%
Short-term debt % of working capital	1.96%	1.90%	19.25%	17.08%	14.84%
% change	2.99%	-90.14%	12.71%	15.14%	18.69%
Total liabilities \$	\$660,732	\$664,438	\$686,066	\$682,052	\$683,297
% change	-0.56%	-3.15%	0.59%	-0.18%	0.88%
Source:	10-Q 11/10/2014	10-Q 8/11/2014	10-Q 5/8/2014	10-K 3/3/2014	10-Q 11/12/2013

Increasing financial leverage...

...need more depth? Look at the Quarterly Liquidity Ratios and Rates of Return

Working capital on a downward trend...

Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	9/30/2014	6/30/2014	3/31/2014	12/31/2013	9/30/2013
Current assets \$	\$222,738	\$236,527	\$261,377	\$283,748	\$317,776
% change	-5.83%	-9.51%	-7.88%	-10.71%	-11.17%
% of short-term debt	7,152.79%	7,647.17%	849.65%	922.88%	1,034.63%
Current liabilities \$	\$63,524	\$73,664	\$101,599	\$103,761	\$110,755
% change	-13.77%	-27.50%	-2.08%	-6.31%	-0.13%
Working capital \$	\$159,214	\$162,863	\$159,778	\$179,987	\$207,021
% change	-2.24%	1.93%	-11.23%	-13.06%	-16.13%
% of sales (annualized)	54.43%	49.53%	58.08%	60.13%	76.11%
Cash \$	\$106,861	\$127,297	\$155,153	\$179,622	\$166,641
% change	-16.05%	-17.95%	-13.62%	7.79%	-19.66%
% of short-term debt	3,431.63%	4,115.65%	504.35%	584.21%	542.56%
Cash ratio	1.68	1.73	1.53	1.73	1.50
% change	-2.66%	13.16%	-11.78%	15.05%	-19.56%
Quick assets \$	\$127,454	\$157,603	\$182,356	\$214,182	\$201,352
% change	-19.13%	-13.57%	-14.86%	6.37%	-17.47%
% of short-term debt	4,092.94%	5,095.47%	592.78%	696.62%	655.57%
Quick ratio	2.01	2.14	1.79	2.06	1.82
% change	-6.22%	19.20%	-13.05%	13.54%	-17.36%
Current ratio	3.51	3.21	2.57	2.73	2.87
% change	9.20%	24.81%	-5.92%	-4.69%	-11.05%
Source:	10-Q 11/10/2014	10-Q 8/11/2014	10-Q 5/8/2014	10-K 3/3/2014	10-Q 11/12/2013

Persistently negative returns...

Rates of Return - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 9/30/2014	3 mos 6/30/2014	3 mos 3/31/2014	3 mos 12/31/2013	3 mos 9/30/2013
Return on total assets	-6.26%	-3.99%	-8.72%	-18.55%	-12.23%
% change	-56.75%	54.20%	52.99%	-51.69%	-8.01%
Return on net tangible assets	-6.26%	-3.99%	-8.72%	-18.55%	-12.23%
% change	-56.75%	54.20%	52.99%	-51.69%	-8.01%
Source:	10-Q 11/10/2014	10-Q 8/11/2014	10-Q 5/8/2014	10-K 3/3/2014	10-Q 11/12/2013

...need more depth? Look at the Annual Statement of Cash Flows

Company consistently fails to generate positive cash flow from operations...

Statement of Cash Flows - Annual - Standardized					
(Thousands of U.S. Dollars)					
Period Ended	12 mos 12/31/2013	12 mos 12/31/2012	12 mos 12/31/2011	12 mos 12/31/2010	12 mos 12/31/2009
				Reclassified 12/31/2011	Reclassified 12/31/2011
Cash Flows from Operating Activities:					
Net income	(\$296,804)	(\$393,610)	(\$337,806)	(\$439,480)	(\$220,161)
Depreciation/depletion	30,828	39,657	36,674	15,821	4,662
Non-cash items	86,396	129,142	106,520	190,757	136,969
Changes in working capital	(37,807)	16,091	(47,683)	(34,628)	(6,444)
Total cash from operating activities	(217,387)	(208,720)	(242,295)	(267,530)	(84,974)
Cash Flows from Investing Activities:					
Capital expenditures	(5,616)	(18,750)	(25,423)	(140,629)	(65,912)
Other investing cash flow items, total	131,747	(12,297)	(46,398)	50,649	(142,143)
Total cash from investing activities	126,131	(31,047)	(71,821)	(89,980)	(208,055)
Cash Flows from Financing Activities:					
Financing cash flow items	(850)	2,386	2,517	71,582	3,875
Issuance/retirement of stock, net	1,535	4,130	9,043	11,918	646,841
Issuance/retirement of debt, net	(5,307)	(5,441)	596,661	(2,824)	(7,381)
Total cash from financing activities	(4,622)	1,075	608,221	80,676	643,335
Net change in cash	(95,878)	(238,692)	294,105	(276,834)	350,306
Net cash-beginning balance	188,408	427,100	132,995	409,829	59,523
Net cash-ending balance	\$92,530	\$188,408	\$427,100	\$132,995	\$409,829
Supplemental Disclosures:					
Cash interest paid	\$26,241	\$21,193	\$24,889	\$3,569	\$3,299
Auditor/Opinion:	Ernst & Young LLP Unqualified	Ernst & Young LLP Unqualified	Ernst & Young LLP Unqualified	Ernst & Young LLP Unqualified	Ernst & Young LLP Unqualified
Source:	10-K 3/3/2014	10-K 2/25/2013	10-K 2/29/2012	10-K 2/29/2012	10-K 2/29/2012

The failure to repay this loan ultimately forces the Company into bankruptcy...

The MD&A issued in June 2014 discloses that it is highly improbable that the Company will be able to achieve profitability before the maturity of its Convertible Senior Notes coming due in January 2016 (the "2016 Notes"). Moreover, it states that because the stock price is well below the conversion price, the holders of the 2016 Notes are unlikely to exercise their conversion right, thereby forcing the Company to repay the full \$620 million principal amount at maturity. Finally, it reveals that due to these series of events, the Company will not be able to repay or refinance the 2016 Notes...

...and in November, the Company files for bankruptcy...

CreditRiskMonitor (CRMZ)

Site Map About Us Directory Lookup Portfolio News Account Help Sign Off Back		
Report	Dendreon Corporation	
Overview	Suite 3200, 1301 2nd Avenue	
Company News	Phone: (206) 219-7815	SEATTLE, WA 98101 United States
Risk Ratings	Filed for Bankruptcy on 11/10/2014	
Important Information	Case #14-12515, filed in the U.S. Bankruptcy Court for the District of Delaware	
Annual Financials	Management Discussion and Analysis	
Year/Year Interim	For the period ended 6/30/2014	
Sequential Quarters	We have incurred significant losses and negative cash flows from operations since our inception. As of June 30, 2014, our accumulated deficit was \$2.3 billion. We have incurred net losses as a result of research and development expenses, clinical trial expenses, contract manufacturing and facility expenses, costs associated with the commercial launch of PROVENGE and general and administrative expenses in support of operations and research efforts.	
Liquidity (MD&A)	As previously disclosed, our 2016 Notes, in an aggregate principal amount of \$620 million mature on January 15, 2016. Our stock price is well below the \$51.24 effective conversion price for the 2016 Notes, making it unlikely that the holders of the 2016 Notes will exercise their conversion right. As a result, we assume that, absent the execution of a transaction of the type described below, we will be required under the terms of the 2016 Notes to repay the full \$620 million principal amount at maturity. Based on our currently anticipated operating results, however, and even assuming the realization of future expense reductions that we plan to make and product revenues that we forecast, there is a significant risk that, while we believe we have sufficient cash to meet our ordinary course obligations for at least the next twelve months, we will not be able to repay or refinance the 2016 Notes. Accordingly, we are currently considering alternatives to the repayment of the 2016 Notes in cash, including alternatives that could result in leaving our current stockholders with little or no financial ownership of Dendreon. Our Board of Directors will consider any strategic alternatives that might be presented by third parties, though there can be no guarantee that any such alternative will provide value for the Company's stockholders.	
Liquidity (MD&A) History		
SEC Filings		
Peer Analysis		
Payments		
Public Filings		
General Info		
Access History		
Update Portfolio		
Print/Save Report		
Currency Converter		
Send This to a Colleague		