Exterran Corp Form 10-Q August 07, 2018

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549

Form 10-Q (MARK ONE)

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

FOR THE QUARTERLY PERIOD ENDED June 30, 2018 OR

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

FOR THE TRANSITION PERIOD FROM TO

Commission File No. 001-36875

#### **EXTERRAN CORPORATION**

(Exact name of registrant as specified in its charter)

Delaware 47-3282259
(State or Other Jurisdiction of (I.R.S. Employer Incorporation or Organization) Identification No.)

4444 Brittmoore Road

Houston, Texas 77041 (Address of principal executive offices) (Zip Code) (281) 836-7000

(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 x No o

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 x No o

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 x

Accelerated filer o

Non-accelerated filer o(Do not check if a smaller reporting company) Smaller reporting company o

Emerging growth company o

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 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

Number of shares of the common stock of the registrant outstanding as of July 31, 2018: 36,125,135 shares.

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#### PART I. FINANCIAL INFORMATION

#### Item 1. Financial Statements

**EXTERRAN CORPORATION** 

CONDENSED CONSOLIDATED DALANCE SHEETS		
CONDENSED CONSOLIDATED BALANCE SHEETS		
(In thousands, except par value and share amounts)		
(unaudited)	1 20	D 1 21
	June 30,	December 31,
A COPPERO	2018	2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$18,192	\$49,145
Restricted cash	546	546
Accounts receivable, net of allowance of \$5,829 and \$5,388, respectively	261,914	266,052
Inventory, net (Note 4)	161,208	107,909
Costs and estimated earnings in excess of billings on uncompleted contracts	<del></del>	40,695
Contract assets (Note 2)	72,374	<del></del>
Other current assets	30,104	38,707
Current assets held for sale (Note 6)	<del>_</del>	15,761
Current assets associated with discontinued operations (Note 3)	15,029	23,751
Total current assets	559,367	542,566
Property, plant and equipment, net (Note 5)	838,055	822,279
Deferred income taxes	12,477	10,550
Intangible and other assets, net	100,958	76,980
Long-term assets held for sale (Note 6)	_	4,732
Long-term assets associated with discontinued operations (Note 3)	2,577	3,700
Total assets	\$1,513,434	
	+ -,, :	, -, ,
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable, trade	\$190,613	\$ 148,744
Accrued liabilities	112,512	114,336
Deferred revenue		23,902
Billings on uncompleted contracts in excess of costs and estimated earnings		89,565
Contract liabilities (Note 2)	105,298	_
Current liabilities associated with discontinued operations (Note 3)	20,705	31,971
Total current liabilities	429,128	408,518
Long-term debt (Note 7)	401,119	368,472
Deferred income taxes	6,206	9,746
Long-term deferred revenue		92,485
Long-term contract liabilities (Note 2)	85,062	
Other long-term liabilities	39,073	20,272
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Long-term liabilities associated with discontinued operations (Note 3)

Total liabilities

Commitments and contingencies (Note 15)

6,528

906,021

5,895

966,483

## Stockholders' equity:

_		
367	362	
746,780	739,164	
(228,119	) (223,510	)
(10,418	) (6,937	)
38,341	45,707	
546,951	554,786	
\$1,513,434	\$1,460,807	
	(228,119 (10,418 38,341	746,780 739,164 (228,119 ) (223,510 (10,418 ) (6,937 38,341 45,707 546,951 554,786

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

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# EXTERRAN CORPORATION CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share amounts)

(unaudited)

	Three Months		Six Months Ended	
	Ended June 30,		June 30,	
	2018	2017	2018	2017
Revenues (Note 2):				
Contract operations	\$91,487	\$95,341	\$187,980	\$187,386
Aftermarket services	32,267	24,244	58,638	46,768
Product sales	219,717	198,116	447,236	328,972
	343,471	317,701	693,854	563,126
Costs and expenses:				
Cost of sales (excluding depreciation and amortization expense):				
Contract operations	32,372	34,691	67,757	65,489
Aftermarket services	23,706	17,278	42,603	33,890
Product sales	191,762	178,025	392,098	297,562
Selling, general and administrative				