

Clean Energy Fuels Corp.  
Form 10-Q  
August 07, 2014  
[Table of Contents](#)

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 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, 2014

Commission File Number: 001-33480

**CLEAN ENERGY FUELS CORP.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of incorporation)

**33-0968580**  
(IRS Employer Identification No.)

**4675 MacArthur Court, Suite 800, Newport Beach, CA 92660**

(Address of principal executive offices, including zip code)

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(949) 437-1000

(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 definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

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 by Rule 12b-2 of the Act). Yes  No

As of July 31, 2014, there were 89,884,250 shares of the registrant's common stock, par value \$0.0001 per share, issued and outstanding.

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Table of Contents

**CLEAN ENERGY FUELS CORP. AND SUBSIDIARIES**

**INDEX**

**Table of Contents**

**PART I. FINANCIAL INFORMATION**

<u>Item 1. Financial Statements (Unaudited)</u>	3
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	23
<u>Item 3. Quantitative and Qualitative Disclosures about Market Risk</u>	34
<u>Item 4. Controls and Procedures</u>	35

**PART II. OTHER INFORMATION**

<u>Item 1. Legal Proceedings</u>	36
<u>Item 1A. Risk Factors</u>	36
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	47
<u>Item 3. Defaults upon Senior Securities</u>	47
<u>Item 4. Mine Safety Disclosures</u>	47
<u>Item 5. Other Information</u>	47
<u>Item 6. Exhibits</u>	48

Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements (Unaudited)****Clean Energy Fuels Corp. and Subsidiaries****Condensed Consolidated Balance Sheets****December 31, 2013 and June 30, 2014****(Unaudited)****(In thousands, except share data)**

	<b>December 31, 2013</b>	<b>June 30, 2014</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 240,033	\$ 124,700
Restricted cash	8,403	12,249
Short-term investments	138,240	152,113
Accounts receivable, net of allowance for doubtful accounts of \$832 and \$908 as of December 31, 2013 and June 30, 2014, respectively	53,473	70,245
Other receivables	26,285	17,876
Inventory, net	33,822	39,204
Prepaid expenses and other current assets	20,840	20,918
Total current assets	521,096	437,305
Land, property and equipment, net	487,854	532,574
Notes receivable and other long-term assets	73,697	71,260
Goodwill	88,548	88,406
Intangible assets, net	79,770	75,934
Total assets	\$ 1,250,965	\$ 1,205,479
<b>Liabilities and Stockholders Equity</b>		
Current liabilities:		
Current portion of long-term debt and capital lease obligations	\$ 23,401	\$ 17,724
Accounts payable	33,541	34,256
Accrued liabilities	46,745	48,348
Deferred revenue	16,419	15,997
Total current liabilities	120,106	116,325

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Long-term debt and capital lease obligations, less current portion	532,017	543,416
Long-term debt, related party	65,000	65,000
Other long-term liabilities	15,304	13,093
Total liabilities	732,427	737,834
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.0001 par value. Authorized 1,000,000 shares; issued and outstanding no shares		
Common stock, \$0.0001 par value. Authorized 224,000,000 shares; issued and outstanding 89,364,397 shares and 89,863,439 shares at December 31, 2013 and June 30, 2014, respectively		
	9	9
Additional paid-in capital	883,045	893,876
Accumulated deficit	(367,782)	(428,681)
Accumulated other comprehensive loss	(700)	(1,188)
Total Clean Energy Fuels Corp. stockholders' equity	514,572	464,016
Noncontrolling interest in subsidiary	3,966	3,629
Total stockholders' equity	518,538	467,645
Total liabilities and stockholders' equity	\$ 1,250,965	\$ 1,205,479

See accompanying notes to condensed consolidated financial statements.

Table of Contents**Clean Energy Fuels Corp. and Subsidiaries****Condensed Consolidated Statements of Operations****For the Three Months and Six Months Ended June 30, 2013 and 2014****(Unaudited)****(In thousands, except share and per share data)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2014	2013	2014
<b>Revenue:</b>				
Product revenues	\$ 78,375	\$ 86,473	\$ 161,858	\$ 172,262
Service revenues	9,741	11,660	19,301	21,146
Total revenues	88,116	98,133	181,159	193,408
<b>Operating expenses:</b>				
Cost of sales (exclusive of depreciation and amortization shown separately below):				
Product cost of sales	58,925	69,175	105,739	137,042
Service cost of sales	3,016	4,080	6,943	7,844
Derivative (gains) losses:				
Series I warrant valuation	39	2,286	505	(2,169)
Selling, general and administrative	35,187	34,400	68,063	67,890
Depreciation and amortization	10,777	11,608	20,935	23,123
Total operating expenses	107,944	121,549	202,185	233,730
Operating loss	(19,828)	(23,416)	(21,026)	(40,322)
Interest expense, net	(6,282)	(10,130)	(11,353)	(19,640)
Other income (expense), net	(1,103)	1,121	(1,493)	(165)
Loss from equity method investment			(76)	
Gain from sale of equity method investment			4,705	
Gain from sale of subsidiary	15,498		15,498	
Loss before income taxes	(11,715)	(32,425)	(13,745)	(60,127)
Income tax expense	(293)	(147)	(2,098)	(1,109)
Net loss	(12,008)	(32,572)	(15,843)	(61,236)
Loss of noncontrolling interest	65	266	29	337
Net loss attributable to Clean Energy Fuels Corp.	\$ (11,943)	\$ (32,306)	\$ (15,814)	\$ (60,899)
<b>Loss per share attributable to Clean Energy Fuels Corp.:</b>				
Basic	\$ (0.13)	\$ (0.34)	\$ (0.17)	\$ (0.64)
Diluted	\$ (0.13)	\$ (0.34)	\$ (0.17)	\$ (0.64)
Weighted-average common shares outstanding:				

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Basic	93,985,438	94,859,587	93,561,302	94,768,462
Diluted	93,985,438	94,859,587	93,561,302	94,768,462

See accompanying notes to condensed consolidated financial statements.

Table of Contents**Clean Energy Fuels Corp. and Subsidiaries****Condensed Consolidated Statements of Comprehensive Loss****For the Three Months and Six Months Ended June 30, 2013 and 2014****(Unaudited)****(In thousands)**

	<b>Clean Energy Fuels Corp. Three Months Ended June 30,</b>		<b>Noncontrolling Interest Three Months Ended June 30,</b>		<b>Total Three Months Ended June 30,</b>	
	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>
Net loss	\$ (11,943)	\$ (32,306)	\$ (65)	\$ (266)	\$ (12,008)	\$ (32,572)
Other comprehensive income (loss), net of tax:						
Foreign currency translation adjustments	(708)	(442)			(708)	(442)
Foreign currency adjustments on intra-entity long-term investments	(3,076)	3,495			(3,076)	3,495
Unrealized gains (losses) on available-for-sale securities	35	(81)			35	(81)
Unrecognized gains on derivatives	2				2	
Total other comprehensive income (loss), net of tax	(3,747)	2,972			(3,747)	2,972
Comprehensive loss	\$ (15,690)	\$ (29,334)	\$ (65)	\$ (266)	\$ (15,755)	\$ (29,600)

	<b>Clean Energy Fuels Corp. Six Months Ended June 30,</b>		<b>Noncontrolling Interest Six Months Ended June 30,</b>		<b>Total Six Months Ended June 30,</b>	
	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>
Net loss	\$ (15,814)	\$ (60,899)	\$ (29)	\$ (337)	\$ (15,843)	\$ (61,236)
Other comprehensive income (loss), net of tax:						
Foreign currency translation adjustments	(1,363)	(246)			(1,363)	(246)
Foreign currency adjustments on intra-entity long-term investments	(4,894)	157			(4,894)	157
Unrealized losses on available-for-sale securities	(2)	(399)			(2)	(399)



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Unrecognized gains on derivatives	108		108
Total other comprehensive loss, net of tax	(6,151)	(488)	