

Clean Energy Fuels Corp.
Form 10-Q
May 10, 2018
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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 March 31, 2018

Commission File Number: 001-33480

CLEAN ENERGY FUELS CORP.

(Exact name of registrant as specified in its charter)

Delaware 33-0968580

(State or other jurisdiction of incorporation) (IRS Employer Identification No.)

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

(Address of principal executive offices, including zip code)

(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," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer

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

Emerging growth company

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.

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Act). Yes No
As of May 3, 2018, there were 152,534,387 shares of the registrant's common stock, par value \$0.0001 per share, issued and outstanding.

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CLEAN ENERGY FUELS CORP. AND SUBSIDIARIES

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Unless the context indicates otherwise, all references to “Clean Energy,” the “Company,” “we,” “us,” or “our” in this MD&A refer to Clean Energy Fuels Corp. together with its consolidated subsidiaries.

This report contains forward-looking statements. See the cautionary note regarding these statements in Part I, Item 2.-Management’s Discussion and Analysis of Financial Condition and Results of Operations of this report.

We own registered or unregistered trademark or service mark rights to Redeem™, NGV Easy Bay™, Clean Energy™, Clean Energy Renewables™, and Clean Energy Cryogenics™. Although we do not use the “®” or “™” symbol in each instance in which one of our trademarks appears in this report, this should not be construed as any indication that we will not assert our rights thereto to the fullest extent under applicable law. Any other service marks, trademarks and trade names appearing in this report are the property of their respective owners.

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PART I.—FINANCIAL INFORMATION

Item 1.—Financial Statements (Unaudited)

Clean Energy Fuels Corp. and Subsidiaries

Condensed Consolidated Balance Sheets

(In thousands, except share data, Unaudited)

	December 31, 2017	March 31, 2018
Assets		
Current assets:		
Cash, cash equivalents and restricted cash	\$ 37,208	\$47,096
Short-term investments	141,462	128,129
Accounts receivable, net of allowance for doubtful accounts of \$1,276 and \$1,353 as of December 31, 2017 and March 31, 2018, respectively	63,961	65,687
Other receivables	19,235	53,661
Inventory	35,238	37,792
Prepaid expenses and other current assets	7,793	9,425
Total current assets	304,897	341,790
Land, property and equipment, net	367,305	363,903
Notes receivable and other long-term assets, net	21,397	16,590
Investments in other entities	30,395	28,927
Goodwill	64,328	64,328
Intangible assets, net	3,590	3,217
Total assets	\$ 791,912	\$818,755
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of debt and capital lease obligations	\$ 139,699	\$140,735
Accounts payable	17,901	20,266
Accrued liabilities	42,268	45,390
Deferred revenue	3,432	9,671
Total current liabilities	203,300	216,062
Long-term portion of debt and capital lease obligations	120,388	125,491
Other long-term liabilities	18,566	16,381
Total liabilities	342,254	357,934
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 151,650,969 shares and 152,514,550 shares at December 31, 2017 and March 31, 2018, respectively	15	15
Additional paid-in capital	1,111,432	1,113,440
Accumulated deficit	(683,570)	(672,641)
Accumulated other comprehensive loss	(887)	(912)
Total Clean Energy Fuels Corp. stockholders' equity	426,990	439,902
Noncontrolling interest in subsidiary	22,668	20,919
Total stockholders' equity	449,658	460,821
Total liabilities and stockholders' equity	\$ 791,912	\$818,755

See accompanying notes to condensed consolidated financial statements.

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Clean Energy Fuels Corp. and Subsidiaries
 Condensed Consolidated Statements of Operations
 (In thousands, except share and per share data, Unaudited)

	Three Months Ended March 31,	
	2017	2018
Revenue:		
Product revenue	\$76,229	\$ 92,251
Service revenue	13,262	10,152
Total revenue	89,491	102,403
Operating expenses:		
Cost of sales (exclusive of depreciation and amortization shown separately below):		
Product cost of sales	54,597	50,199
Service cost of sales	6,264	4,597
Selling, general and administrative	23,773	18,837
Depreciation and amortization	15,317	12,801
Total operating expenses	99,951	86,434
Operating income (loss)	(10,460)	15,969
Interest expense	(4,911)	(4,503)
Interest income	192	575
Other income (expense), net	(167)	(12)
Loss from equity method investments	(36)	(1,468)
Gain from extinguishment of debt	3,195	—
Gain from sale of certain assets of subsidiary	70,648	—
Income before income taxes	58,461	10,561
Income tax benefit (expense)	2,263	(88)
Net income	60,724	10,473
Loss attributable to noncontrolling interest	335	1,749
Net income attributable to Clean Energy Fuels Corp.	\$61,059	\$ 12,222
Income per share:		
Basic	\$0.41	\$ 0.08
Diluted	\$0.40	\$ 0.08
Weighted-average common shares outstanding:		
Basic	148,847,503	152,194,695
Diluted	152,972,153	156,643,092