

Edgar Filing: ICAHN ENTERPRISES L.P. - Form 10-Q

ICAHN ENTERPRISES L.P.
 Form 10-Q
 May 03, 2018
 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 March 31, 2018

(Commission File Number)	(Exact Name of Registrant as Specified in Its Charter) (Address of Principal Executive Offices) (Zip Code) (Telephone Number)	(State or Other Jurisdiction of Incorporation or Organization)	(IRS Employer Identification No.)
1-9516	ICAHN ENTERPRISES L.P. 767 Fifth Avenue, Suite 4700 New York, NY 10153 (212) 702-4300	Delaware	13-3398766
333-118021-01	ICAHN ENTERPRISES HOLDINGS L.P. 767 Fifth Avenue, Suite 4700 New York, NY 10153 (212) 702-4300	Delaware	13-3398767

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.

Icahn Enterprises L.P. Yes No Icahn Enterprises Holdings L.P. 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).

Icahn Enterprises L.P. Yes No Icahn Enterprises Holdings L.P. 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 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 (Check One):

Icahn Enterprises L.P.	Icahn Enterprises Holdings L.P.
Large Accelerated Filer <input checked="" type="checkbox"/> Accelerated Filer <input type="checkbox"/>	Large Accelerated Filer <input type="checkbox"/> Accelerated Filer <input type="checkbox"/>
Non-accelerated Filer <input type="checkbox"/> Smaller Reporting Company <input type="checkbox"/>	Non-accelerated Filer <input checked="" type="checkbox"/> Smaller Reporting Company <input type="checkbox"/>
Emerging Growth Company <input type="checkbox"/>	Emerging Growth Company <input type="checkbox"/>

Edgar Filing: ICAHN ENTERPRISES L.P. - Form 10-Q

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 in Rule 12b-2 of the Exchange Act).

Icahn Enterprises L.P. Yes No Icahn Enterprises Holdings L.P. Yes No

As of May 3, 2018, there were 178,183,925 of Icahn Enterprises' depository units outstanding.

ICAHN ENTERPRISES L.P.
ICAHN ENTERPRISES HOLDINGS L.P.
TABLE OF CONTENTS

	Page No.
<u>Explanatory Note and Forward-Looking Statements</u>	<u>1</u>
PART I. FINANCIAL INFORMATION	
<u>Item 1. Financial Statements.</u>	<u>2</u>
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.</u>	<u>42</u>
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk.</u>	<u>55</u>
<u>Item 4. Controls and Procedures.</u>	<u>56</u>
PART II. OTHER INFORMATION	
<u>Item 1. Legal Proceedings.</u>	<u>57</u>
<u>Item 1A. Risk Factors.</u>	<u>57</u>
<u>Item 6. Exhibits.</u>	<u>58</u>

EXPLANATORY NOTE

This Quarterly Report on Form 10-Q (this "Report") is a joint report being filed by Icahn Enterprises L.P. and Icahn Enterprises Holdings L.P. Each registrant hereto is filing on its own behalf all of the information contained in this Report that relates to such registrant. Each registrant hereto is not filing any information that does not relate to such registrant, and therefore makes no representation as to any such information.

FORWARD-LOOKING STATEMENTS

This Report contains certain statements that are, or may be deemed to be, "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended ("the Exchange Act"), or by Public Law 104-67. All statements included in this Report, other than statements that relate solely to historical fact, are "forward-looking statements." Such statements include, but are not limited to, any statement that may predict, forecast, indicate or imply future results, performance, achievements or events, or any statement that may relate to strategies, plans or objectives for, or potential results of, future operations, financial results, financial condition, business prospects, growth strategy or liquidity, and are based upon management's current plans and beliefs or current estimates of future results or trends. Forward-looking statements can generally be identified by phrases such as "believes," "expects," "potential," "continues," "may," "should," "seeks," "predicts," "anticipates," "intends," "projects," "estimates," "plans," "could," "designed," "should be" and other similar expressions that denote expectations of future or conditional events rather than statements of fact.

Forward-looking statements include certain statements made under the caption, "Management's Discussion and Analysis of Financial Condition and Results of Operations," under Part I, Item 2 of this Report, but also forward-looking statements that appear in other parts of this Report. Forward-looking statements reflect our current views with respect to future events and are based on certain assumptions and are subject to risks and uncertainties that could cause our actual results to differ materially from trends, plans, or expectations set forth in the forward-looking statements. These risks and uncertainties may include the risks and uncertainties described in our Annual Report on Form 10-K for the year ended December 31, 2017 and those set forth in this Report, including under the caption "Risk Factors," under Part II, Item 1A of this Report. Additionally, there may be other factors not presently known to us or which we currently consider to be immaterial that may cause our actual results to differ materially from the forward-looking statements.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

ICAHN ENTERPRISES L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions, except unit amounts)

	March 31, 2018	December 31, 2017
	(Unaudited)	
ASSETS		
Cash and cash equivalents	\$ 1,250	\$ 1,682
Cash held at consolidated affiliated partnerships and restricted cash	643	786
Investments	8,364	10,369
Due from brokers	1,236	506
Accounts receivable, net	1,914	1,805
Inventories, net	3,497	3,261
Property, plant and equipment, net	9,733	9,701
Goodwill	1,280	1,275
Intangible assets, net	1,111	1,135
Other assets	1,470	1,281
Total Assets	\$ 30,498	\$ 31,801
LIABILITIES AND EQUITY		
Accounts payable	\$ 2,112	\$ 2,064
Accrued expenses and other liabilities	1,991	1,746
Deferred tax liability	962	924
Unrealized loss on derivative contracts	972	1,275
Securities sold, not yet purchased, at fair value	299	1,023
Due to brokers	38	1,057
Post-retirement benefit liability	1,161	1,159
Debt	11,208	11,185
Total liabilities	18,743	20,433
Commitments and contingencies (Note 16)		
Equity:		
Limited partners: Depositary units: 173,579,378 units issued and outstanding at March 31, 2018 and 173,564,307 units issued and outstanding at December 31, 2017	5,182	5,341
General partner	(237) (235
Equity attributable to Icahn Enterprises	4,945	5,106
Equity attributable to non-controlling interests	6,810	6,262
Total equity	11,755	11,368
Total Liabilities and Equity	\$ 30,498	\$ 31,801

See notes to condensed consolidated financial statements.

ICAHN ENTERPRISES L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions, except per unit amounts)

	Three Months Ended March 31,	
	2018	2017
	(Unaudited)	
Revenues:		
Net sales	\$4,493	\$4,319
Other revenues from operations	420	475
Net income (loss) from investment activities	433	(130)
Interest and dividend income	28	29
Other income (loss), net	71	(26)
	5,445	4,667
Expenses:		
Cost of goods sold	3,856	3,688
Other expenses from operations	255	254
Selling, general and administrative	656	621
Restructuring, net	2	7
Impairment	—	8
Interest expense	197	223
	4,966	4,801
Income (loss) before income tax expense	479	(134)
Income tax expense	(56)	(26)
Net income (loss)	423	(160)
Less: net income (loss) attributable to non-controlling interests	286	(142)
Net income (loss) attributable to Icahn Enterprises	\$137	\$(18)
Net income (loss) attributable to Icahn Enterprises allocable to:		
Limited partners	\$134	\$(18)
General partner	3	—
	\$137	\$(18)
Basic income (loss) per LP unit	\$0.77	\$(0.12)
Basic weighted average LP units outstanding	174	149
Diluted income (loss) per LP unit	\$0.77	\$