

ORMAT TECHNOLOGIES, INC.
Form 10-Q/A
November 09, 2016

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q/A

(Amendment No. 1)

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

For the quarterly period ended September 30, 2016

or

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

For the transition period from to

Commission file number: 001-32347

ORMAT TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of

88-0326081

(I.R.S. Employer

incorporation or organization *Identification Number*)

6225 Neil Road, Reno, Nevada 89511-1136
(Address of principal executive offices) (Zip Code)

(775) 356-9029

(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 the 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 Smaller reporting company
(Do not check if a smaller reporting company)

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: As of November 09, 2016, the number of outstanding shares of common stock, par value \$0.001 per share, was 49,634,659.

EXPLANATORY NOTE

Ormat Technologies, Inc. hereby files this Amendment No. 1 on Form 10-Q/A to amend its Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2016 (the "Original Form 10-Q"), as originally filed with the Securities and Exchange Commission on November 8, 2016. The amendment is to correct a typographical error contained in the "Recent developments" section under Item 2. Management Discussion and Analysis of Financial Condition and Results of operations and reflects the deletion of a bullet point included therein. This amendment has no impact on any other section of the Original Form 10-Q.

ORMAT TECHNOLOGIES, INC.

FORM 10-Q

FOR THE QUARTER ENDED SEPTEMBER 30, 2016

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Certain Definitions

Unless the context otherwise requires, all references in this quarterly report to “Ormat”, “the Company”, “we”, “us”, “our company”, “Ormat Technologies” or “our” refer to Ormat Technologies, Inc. and its consolidated subsidiaries.

PART I - FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS****ORMAT TECHNOLOGIES, INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED BALANCE SHEETS****(Unaudited)**

	September 30, 2016	December 31, 2015
	(Dollars in thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$90,066	\$185,919
Restricted cash and cash equivalents (all related to VIEs)	50,525	49,503
Receivables:		
Trade	65,198	55,301
Other	13,645	7,885
Inventories	12,973	18,074
Costs and estimated earnings in excess of billings on uncompleted contracts	38,025	25,120
Prepaid expenses and other	38,940	33,334
Total current assets	309,372	375,136
Deposits and other	18,738	17,968
Deferred charges	40,690	42,811
Property, plant and equipment, net (\$1,499,112 and \$1,481,258 related to VIEs, respectively)	1,570,307	1,559,335
Construction-in-process (\$82,476 and \$129,165 related to VIEs, respectively)	271,853	248,835
Deferred financing and lease costs, net	5,188	4,022
Intangible assets, net	56,052	25,875
Goodwill	7,071	—
Total assets	\$2,279,271	\$2,273,982
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$102,854	\$91,955
Billings in excess of costs and estimated earnings on uncompleted contracts	37,134	33,892
Current portion of long-term debt:		
Limited and non-recourse (all related to VIEs):		
Senior secured notes	28,121	29,930
Other loans	21,494	21,495
Full recourse	12,302	11,229
Total current liabilities	201,905	188,501
Long-term debt, net of current portion:		
Limited and non-recourse (all related to VIEs):		
Senior secured notes (less deferred financing costs of \$9,957 and \$10,852, respectively)	273,017	294,476
Other loans (less deferred financing costs of \$6,821 and \$7,492, respectively)	267,210	275,888
Full recourse:		

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Senior unsecured bonds (plus unamortized premium based upon 7% of \$0 and \$513, respectively and less deferred financing costs of \$849 and \$283, respectively)	203,483	249,698
Other loans (less deferred financing costs of \$290 and \$435, respectively)	12,373	18,687
Accumulated losses of unconsolidated company in excess of investment	16,664	8,100
Liability associated with sale of tax benefits	1,043	11,665
Deferred lease income	55,460	58,099
Deferred income taxes	34,961	32,654
Liability for unrecognized tax benefits	10,260	10,385
Liabilities for severance pay	19,020	19,323
Asset retirement obligation	22,099	20,856
Other long-term liabilities	20,862	1,776
Total liabilities	1,138,357	1,190,108
Commitments and contingencies (Note 10)		
Reedemable noncontrolling interest	4,972	—
Equity:		
The Company's stockholders' equity:		
Common stock, par value \$0.001 per share; 200,000,000 shares authorized; 49,634,659 and 49,107,901 shares issued and outstanding as of September 30, 2016 and December 31, 2015, respectively	50	49
Additional paid-in capital	859,855	849,223
Retained earnings	191,627	148,396
Accumulated other comprehensive income	(11,503)	(7,667)
	1,040,029	990,001
Noncontrolling interest	95,913	93,873
Total equity	1,135,942	1,083,874
Total liabilities and equity	\$2,279,271	\$2,273,982

The accompanying notes are an integral part of the consolidated financial statements.

ORMAT TECHNOLOGIES, INC. AND SUBSIDIARIES**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND****COMPREHENSIVE INCOME****(Unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
	(Dollars in thousands,		(Dollars in thousands,	
	except per share data)		except per share data)	
Revenues:				
Electricity	\$109,795	\$97,245	\$321,664	\$278,124
Product	74,822	65,607	174,408	145,446
Total revenues	184,617	162,852	496,072	423,570
Cost of revenues:				
Electricity	66,481	61,501	192,410	179,604
Product	43,647	42,019	99,504	89,826
Total cost of revenues	110,128	103,520	291,914	269,430
Gross margin	74,489	59,332	204,158	154,140
Operating expenses:				
Research and development expenses	1,086	335	2,030	1,112
Selling and marketing expenses	4,793	4,383	12,136	12,099
General and administrative expenses	19,093	7,950	36,625	25,597
Write-off of unsuccessful exploration activities	1,294	185	2,714	359
Operating income	48,223	46,479	150,653	114,973
Other income (expense):				
Interest income	266	53	831	106
Interest expense, net	(17,137)	(17,748)	(51,561)	(54,435)
Derivatives and foreign currency transaction gains (losses)	(222)	1,296	(2,592)	(641)
Income attributable to sale of tax benefits	3,463	8,634	12,380	18,917
Other non-operating income (expense), net	(5,546)	(131)	(5,306)	(1,523)
Income from continuing operations before income taxes and equity in losses of investees	29,047	38,583	104,405	77,397
Income tax (provision) benefit	(11,988)	38,211	(29,387)	26,696
Equity in losses of investees, net	(2,653)	(3,133)	(4,734)	(4,892)
Income from continuing operations	14,406	73,661	70,284	99,201
Net income attributable to noncontrolling interest	(2,326)	(1,522)	(4,584)	(2,616)
Net income attributable to the Company's stockholders	\$12,080	\$72,139	\$65,700	\$96,585
Comprehensive income:				

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Net income	14,406	73,661	70,284	99,201
Other comprehensive income (loss), net of related taxes:				
Change in unrealized gains or losses in respect of the Company's share in derivatives instruments of unconsolidated investment	1,337	(4,318)	(3,829)	(4,154)
Loss in respect of derivative instruments designated for cash flow hedge	22	22	65	68
Amortization of unrealized gains in respect of derivative instruments designated for cash flow hedge	(24)	(29)	(72)	(90)
Comprehensive income	15,741	69,336	66,448	95,025
Comprehensive income attributable to noncontrolling interest	(2,326)	(1,522)	(4,584)	(2,616)
Comprehensive income attributable to the Company's stockholders	\$13,415	\$67,814	\$61,864	\$92,409
Earnings per share attributable to the Company's stockholders:				
Basic:				
Net income	\$0.24	\$1.47	\$1.33	\$2.00
Diluted:				
Net income	\$0.24	\$1.41	\$1.31	\$1.93
Weighted average number of shares used in computation of earnings per share attributable to the Company's stockholders:				
Basic	49,599	49,023	49,410	48,388
Diluted	50,289	51,113	50,097	50,011
Dividend per share declared	\$0.07	\$0.06	\$0.45	\$0.20

The accompanying notes are an integral part of the consolidated financial statements.

ORMAT TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EQUITY

(Unaudited)

	The Company's Stockholders' Equity						Noncontrolling Interest	Total Equity
	Common Stock Shares	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Income (Loss)	Total			

(Dollars in thousands, except per share data)

Balance at December 31, 2014	45,537	\$ 46	\$ 742,006	\$ 41,539	\$ (8,668)	\$ 774,923	\$ 11,823	\$ 786,746
Stock-based compensation	—	—	3,077	—	—	3,077	—	3,077
Exercise of options by employees and directors	502	—	4,612	—	—	4,612	—	4,612
Share exchange with Parent	2,996	3	26,012	—	—	26,015	—	26,015
Cash paid to non controlling interest	—	—	—	—	—	—	(4,507)	(4,507)
Cash dividend declared, \$0.2 per share	—	—	—	(9,772)	—	(9,772)	—	(9,772)
Issuance of shares to noncontrolling interest, net of transaction costs	—	—	71,291	—	—	71,291	85,470	156,761
Net income	—	—	—	96,585	—	96,585	2,616	99,201
Other comprehensive income (loss), net of related taxes:								
cash flow hedge (net of related tax of \$42)	—	—	—	—	68	68	—	68
Change in unrealized gains or losses in respect of the Company's share in derivative instruments of unconsolidated	—	—	—	—	(4,154)	(4,154)	—	(4,154)

investment (net of related tax of \$0)								
Amortization of unrealized gains in respect of derivative instruments	—	—	—	—	(90)	(90)	—	(90)
designated for cash flow hedge (net of related tax of \$56)								
Balance at September 30, 2015	49,035	\$ 49	\$ 846,998	\$ 128,352	\$(12,844)	\$ 962,555	\$ 95,402	\$ 1,057,957
Balance at December 31, 2015	49,107	\$ 49	\$ 849,223	\$ 148,396	\$(7,667)	\$ 990,001	\$ 93,873	\$ 1,083,874
Stock-based compensation	—	—	3,383	—	—	3,383	—	3,383
Exercise of options by employees and directors	528	1						