

ORMAT TECHNOLOGIES, INC.

Form 10-Q

August 07, 2006

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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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, 2006

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  
incorporation or organization)

88-0326081

(I.R.S. Employer  
Identification Number)

6225 Neil Road, Suite 300, Reno, Nevada 89511-1136

(Address of principal executive offices)

Registrant's telephone number, including area code: (775) 356-9029

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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of the date of this filing, the number of outstanding shares of common stock of Ormat Technologies, Inc. is 35,587,496, par value \$0.001 per share.

ORMAT TECHNOLOGIES, INC

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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. The “OFC Senior Secured Notes” refers to the 8¼% Senior Secured Notes due 2020 that were issued in February 2004 by our subsidiary, Ormat Funding Corp. The “OrCal Senior Secured Notes” refers to the 6.21% Senior Secured Notes due 2020 that were issued in December 2005 by our subsidiary, OrCal Geothermal Inc.

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## PART I — FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
 ORMAT TECHNOLOGIES, INC. AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2006 (Unaudited)	December 31, 2005
	(in thousands)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 24,736	\$ 26,976
Marketable securities	83,823	43,560
Restricted cash, cash equivalents and marketable securities	36,126	36,732
Receivables:		
Trade	36,879	33,515
Related entities	1,642	524
Other	2,620	2,629
Inventories, net	5,117	5,224
Costs and estimated earnings in excess of billings on uncompleted contracts	2,493	8,883
Deferred income taxes	4,246	1,663
Prepaid expenses and other	5,397	3,256
Total current assets	203,079	162,962
Unconsolidated investments	38,189	47,235
Deposits and other	14,386	13,489
Deferred income taxes	7,108	5,376
Property, plant and equipment, net	594,732	491,835
Construction-in-process	132,443	128,256
Deferred financing and lease costs, net	16,862	17,412
Intangible assets, net	46,505	47,915
Total assets	\$1,053,304	\$914,480
Liabilities and Stockholders' Equity		
Current liabilities:		
Short-term bank credit	\$ —	\$ 3,996
Accounts payable and accrued expenses	44,008	50,048
Billings in excess of costs and estimated earnings on uncompleted contracts	9,827	12,657
Current portion of long-term debt:		
Limited and non-recourse	8,503	2,888
Full recourse	1,000	1,000

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Senior secured notes (non-recourse)	24,091	23,754
Due to Parent, including current portion of notes payable to Parent	31,181	32,003
Total current liabilities	118,610	126,346
Long-term debt, net of current portion:		
Limited and non-recourse	26,560	11,252
Full recourse	1,000	2,000
Senior secured notes (non-recourse)	315,280	324,645
Notes payable to Parent, net of current portion	123,572	140,162
Other liabilities	—	1,309
Deferred lease income	80,226	81,569
Deferred income taxes	25,758	22,004
Liabilities for severance pay	12,668	11,409
Asset retirement obligation	12,578	11,461
Total liabilities	716,252	732,157
Minority interest in net assets of subsidiaries	5,373	64
Commitments and contingencies (Notes 5, 6 and 10)		
Stockholders' equity:		
Common stock, par value \$0.001 per share; 200,000,000 shares authorized; 35,587,496 and 31,562,496 shares issued and outstanding, respectively	35	31
Additional paid-in capital	259,545	124,008
Unearned stock-based compensation	—	(153)
Retained earnings	69,741	55,824
Accumulated other comprehensive income	2,358	2,549
Total stockholders' equity	331,679	182,259
Total liabilities and stockholders' equity	\$1,053,304	\$914,480

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
	(in thousands, except per share amounts)		(in thousands, except per share amounts)	
Revenues:				
Electricity:				
Energy and capacity	\$28,857	\$25,457	\$ 54,022	\$ 49,966
Lease portion of energy and capacity	19,238	16,650	37,135	32,593

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Lease income	672	287	1,343	287
Total electricity	48,767	42,394	92,500	82,846
Products:				
Related party	—	604	3,503	604
Other	15,319	13,027	28,404	26,471
Total products	15,319	13,631	31,907	27,075
Total revenues	64,086	56,025	124,407	109,921
Cost of revenues:				
Electricity:				
Energy and capacity	20,368	19,782	37,542	36,055
Lease portion of energy and capacity	9,258	7,394	17,640	14,733
Lease expense	1,310	615	2,621	615
Total electricity	30,936	27,791	57,803	51,403
Products	9,580	11,427	20,112	22,110
Total cost of revenues	40,516	39,218	77,915	73,513
Gross margin	23,570	16,807	46,492	36,408
Operating expenses:				
Research and development expenses	890	714	1,663	1,094
Selling and marketing expenses	2,826	1,651	5,521	3,859
General and administrative expenses	4,404	2,975	9,088	6,602
Operating income	15,450	11,467	30,220	24,853
Other income (expense):				
Interest income	2,347	1,075	3,462	1,885
Interest expense:				
Parent	(2,135)	(2,487)	(4,361)	(5,262)
Other	(7,645)	(8,127)	(14,875)	(16,169)
Less – amount capitalized	2,039	1,112	4,042	1,631
Foreign currency translation and transaction gains (losses)	(69)	39	(77)	(44)
Other non-operating income	204	72	307	112
Income before income taxes, minority interest, and equity in income of investees	10,191	3,151	18,718	7,006
Income tax provision	(2,156)	(1,154)	(4,070)	(2,634)
Minority interest in earnings of subsidiaries	(571)	—	(571)	—
Equity in income of investees	931	2,097	2,210	3,630
Net income	8,395	4,094	16,287	8,002
Other comprehensive income (loss), net of related taxes:				
Amortization of unrealized gain in respect of derivative instruments designated for cash flow hedge	(91)	(828)	(181)	(574)
Change in unrealized gains or losses on marketable securities available-for-sale	(128)	(27)	(10)	35
Comprehensive income	\$ 8,176	\$ 3,239	\$ 16,096	\$ 7,463
Earnings per share – basic and diluted	\$ 0.24	\$ 0.13	\$ 0.49	\$ 0.25
Weighted average number of shares used in computation of earnings per share:				
Basic	35,105	31,563	33,343	31,563
Diluted	35,254	31,579	33,475	31,576

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

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ORMAT TECHNOLOGIES, INC. AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY  
 (Unaudited)

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Unearned Stock-based Compensation	Retained Earnings	Accumulated Other Comprehensive Income	Total
	(in thousands, except per share data) (Loss)						
Balance at December 31, 2005	31,563	\$ 31	\$ 124,008	\$ (153)	\$ 55,824	\$ 2,549	\$ 182,259
Reversal of deferred stock based compensation	—	—	(153)	153	—	—	—
Share based compensation	—	—	641	—	—	—	641
Cash dividend declared, \$0.07 per share	—	—	—	—	(2,370)	—	(2,370)
Issuance of shares of common stock in a follow-on public offering	4,025	4	135,049	—	—	—	135,053
Net income	—	—	—	—	16,287	—	16,287
Other comprehensive income, net of related taxes:							
Amortization of unrealized gain in respect of derivative instruments, net of related tax benefit	—	—	—	—	—	(181)	(181)
Change in unrealized gains or losses on marketable securities available-for-sale, net of related tax	—	—	—	—	—	(10)	(10)
Balance at June 30, 2006	35,588	\$ 35	\$ 259,545	\$ —	\$ 69,741	\$ 2,358	\$ 331,679

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

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ORMAT TECHNOLOGIES, INC. AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	Six Months Ended June 30,	
	2006	2005
	(in thousands)	
Cash flows from operating activities:		
Net income	\$ 16,287	\$ 8,002
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	20,763	18,264
Accretion of asset retirement obligation	462	380
Share-based compensation	641	—
Amortization of deferred lease income	(1,343)	(287)
Minority interest in earnings of subsidiaries	571	—
Equity in income of investees	(2,210)	(3,630)
Distributions from unconsolidated investments	2,039	3,187
Unrealized gain in respect of derivative instruments, net	(301)	—
Loss (gain) on severance pay fund asset	(380)	152
Deferred income tax benefit	(556)	(221)
Changes in operating assets and liabilities, net of acquisitions:		
Receivables	(2,077)	(8,761)
Costs and estimated earnings in excess of billings on uncompleted contracts	6,390	(293)
Inventories	107	(3,095)
Prepaid expenses and other	(2,059)	236
Deposits and other	50	(410)
Accounts payable and accrued expenses	(5,682)	7,154
Due from/to related entities, net	(1,372)	1,550
Billings in excess of costs and estimated earnings on uncompleted contracts	(2,830)	4,705
Other liabilities	(20)	(40)
Item 6. Exhibits		

- 3.1 Restated Articles of Incorporation of the Registrant (Incorporated by reference to Exhibit 3.1 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1994).
- 3.2 Amended and Restated By-Laws of the Registrant (Incorporated by reference to Exhibit 3.1 to Registrant's Current Report on Form 8-K filed September 5, 2007).
- 31.1 Certification of Steven J. Borick, Chairman, Chief Executive Officer and President, Pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as Adopted Pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002 (filed herewith).
- 31.2 Certification of Emil J. Fanelli, Chief Accounting Officer and acting Chief Financial Officer, Pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as Adopted Pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002 (filed herewith).
- 32.1 Certification of Steven J. Borick, Chairman, Chief Executive Officer and President, and Emil J. Fanelli, Chief Accounting Officer and acting Chief Financial Officer, Pursuant to 18 U.S.C.

Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).



SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SUPERIOR INDUSTRIES INTERNATIONAL, INC.  
(Registrant)

Date: May 7, 2010

/s/ Steven J. Borick

Steven J. Borick  
Chairman, Chief Executive  
Officer and President

Date: May 7, 2010

/s/ Emil J. Fanelli

Emil J. Fanelli  
Chief Accounting Officer and  
acting Chief Financial Officer