

Clean Energy Fuels Corp.
Form 10-Q
August 10, 2009

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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 June 30, 2009

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.)

3020 Old Ranch Parkway, Suite 400, Seal Beach CA 90740

(Address of principal executive offices, including zip code)

(562) 493-2804

(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 Smaller reporting company

(Do not check if a 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 August 5, 2009, there were 59,692,712 shares of the registrant's common stock, par value \$0.0001 per share, issued and outstanding.

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Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements (Unaudited)****Clean Energy Fuels Corp. and Subsidiaries****Condensed Consolidated Balance Sheets****December 31, 2008 and June 30, 2009 (Unaudited)**

	December 31, 2008	June 30, 2009
Assets		
Current assets:		
Cash and cash equivalents	\$ 36,284,431	\$ 19,775,730
Restricted cash	2,500,000	2,500,000
Accounts receivable, net of allowance for doubtful accounts of \$657,734 and \$739,478 as of December 31, 2008 and June 30, 2009, respectively	10,530,638	10,825,961
Other receivables	12,995,507	13,349,580
Inventory, net	3,110,731	4,237,261
Deposits on LNG trucks	6,197,746	2,801,983
Prepaid expenses and other current assets	3,542,387	3,394,613
 Total current assets	 75,161,440	 56,885,128
Land, property and equipment, net	160,593,665	166,403,562
Capital lease receivables	364,500	1,645,098
Notes receivable and other long-term assets	7,176,755	9,753,995
Investments in other entities	4,879,604	6,729,396
Goodwill	20,797,878	20,797,878
Intangible assets, net of accumulated amortization	21,400,558	25,781,822
 Total assets	 \$ 290,374,400	 \$ 287,996,879
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of long-term debt and capital lease obligations	\$ 2,232,875	\$ 2,870,373
Accounts payable	14,276,591	13,491,951
Accrued liabilities	10,253,454	9,408,505
Deferred revenue	1,060,582	1,048,510
 Total current liabilities	 27,823,502	 26,819,339
Long-term debt and capital lease obligations, less current portion	22,850,927	24,529,247
Other long-term liabilities	2,297,446	17,854,528
 Total liabilities	 52,971,875	 69,203,114
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 99,000,000 shares; issued and outstanding 50,238,212 shares and 50,255,212 shares at December 31, 2008 and June 30, 2009, respectively	5,024	5,026
Additional paid-in capital	346,466,999	343,775,876
Accumulated deficit	(113,549,257)	(129,032,223)

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Accumulated other comprehensive income	853,837	929,844
Total stockholders' equity of Clean Energy Fuels Corp.	233,776,603	215,678,523
Noncontrolling interest in subsidiary	3,625,922	3,115,242
Total equity	237,402,525	218,793,765
Total liabilities and equity	\$ 290,374,400	\$ 287,996,879

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, 2008 and 2009****(Unaudited)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2009	2008	2009
Revenue:				
Product revenues	\$ 32,725,614	\$ 24,827,576	\$ 61,686,320	\$ 53,209,857
Service revenues	1,087,367	3,042,455	2,074,018	4,908,318
Total revenues	33,812,981	27,870,031	63,760,338	58,118,175
Operating expenses:				
Cost of sales:				
Product cost of sales	28,316,620	15,164,592	50,478,217	36,416,458
Service cost of sales	297,410	1,039,899	549,489	1,432,282
Derivative (gain) loss	(5,706,981)	2,209,596	(5,706,981)	2,386,363
Selling, general and administrative	12,139,133	11,591,451	23,726,851	23,157,440
Depreciation and amortization	2,184,019	4,123,037	4,247,440	7,740,090
Total operating expenses	37,230,201	34,128,575	73,295,016	71,132,633
Operating loss	(3,417,220)	(6,258,544)	(9,534,678)	(13,014,458)
Interest income (expense), net	265,347	(59,538)	1,104,563	(92,076)
Other income (expense), net	1,622	(146,341)	39,978	(186,527)
Income (loss) from equity method investments	4,724	35,854	(140,322)	52,418
Loss before income taxes	(3,145,527)	(6,428,569)	(8,530,459)	(13,240,643)
Income tax expense	(56,203)	(72,963)	(99,970)	(140,850)
Net loss	(3,201,730)	(6,501,532)	(8,630,429)	(13,381,493)
Loss of noncontrolling interest in net income		124,766		510,680
Net loss attributable to Clean Energy Fuels Corp.	\$ (3,201,730)	\$ (6,376,766)	\$ (8,630,429)	\$ (12,870,813)
Loss per share attributable to Clean Energy Fuels Corp.				
Basic	\$ (0.07)	\$ (0.13)	\$ (0.19)	\$ (0.26)
Diluted	\$ (0.07)	\$ (0.13)	\$ (0.19)	\$ (0.26)
Weighted average common shares outstanding				
Basic	44,300,309	50,247,366	44,291,401	50,242,814
Diluted	44,300,309	50,247,366	44,291,401	50,242,814

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See accompanying notes to condensed consolidated financial statements.

Clean Energy Fuels Corp.

Condensed Consolidated Statements of Cash Flows

For the Six Months Ended June 30, 2008 and 2009

(Unaudited)

	Six Months Ended June 30,	
	2008	2009
Cash flows from operating activities:		
Net loss	\$ (8,630,429)	\$(13,381,493)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	4,247,440	7,740,090
Provision for doubtful accounts	366,018	124,993
Loss (gain) on disposal of assets	(38,356)	254,280
Stock option expense	5,098,331	7,020,144
Derivative (gain) loss	(5,706,981)	2,386,363
Common stock issued in exchange for services	15,000	
Changes in operating assets and liabilities, net of assets and liabilities acquired:		
Accounts and other receivables	(5,413,292)	(1,691,207)
Inventory	(292,524)	109,936
Return (deposits) on LNG trucks	(1,840,000)	3,395,813
Margin deposits on futures contracts	(1,236,000)	(1,880,481)
Capital lease receivables	199,500	523,382
Prepaid expenses and other assets	(1,039,868)	289,104
Accounts payable	2,186,084	1,636,953
Accrued expenses and other	(827,382)	(946,326)
Net cash provided by (used in) operating activities	(12,912,459)	5,581,551
Cash flows from investing activities:		
Purchases of property and equipment	(36,719,601)	(18,153,466)
Proceeds from sale of property and equipment	48,432	49,666
Acquisition, net of cash acquired		(5,645,250)
Investments in other entities		(2,023,007)
Proceeds from sale of loans receivable		1,315,667
Purchases of short-term investments	(43,430,041)	
Maturity or sales of short-term investments	47,501,532	
Net cash used in investing activities	(32,599,678)	(24,456,390)
Cash flows from financing activities:		
Proceeds from long-term debt		3,059,570
Repayment of capital lease obligations and long-term debt	(30,969)	(743,752)
Proceeds from exercise of stock options	133,643	50,320
Net cash provided by financing activities	102,674	2,366,138
Net decrease in cash	(45,409,463)	(16,508,701)
Cash, beginning of period	67,937,602	36,284,431