

Gevo, Inc.
Form 10-Q
May 02, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2012

or

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

Commission File Number 001-35073

GEVO, INC.

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of
incorporation or organization)

87-0747704
(I.R.S. Employer
Identification No.)

345 Inverness Drive South, Building C, Suite 310

Englewood, CO 80112

(303) 858-8358

(Address, including zip code, and telephone number, including
area code, of registrant's principal executive offices)

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 (Section 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:

Large accelerated filer

Accelerated filer

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

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

As of March 31, 2012, 26,758,924 shares of the registrant's common stock were outstanding.

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GEVO, INC.

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FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2012

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Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements.****GEVO, INC.****Consolidated Balance Sheets****(in thousands except share and per share amounts)****(unaudited)**

	March 31, 2012	December 31, 2011
Assets		
Current assets:		
Cash and cash equivalents	\$ 73,622	\$ 94,225
Accounts receivable	3,030	2,938
Inventories	5,454	3,814
Prepaid expenses and other current assets	1,641	1,283
Derivative assets	62	
Margin deposit	386	474
Total current assets	84,195	102,734
Property, plant and equipment, net	42,139	28,777
Debt issue costs, net	946	1,017
Deposits and other assets	695	502
Total assets	\$ 127,975	\$ 133,030
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 17,821	\$ 12,440
Current portion of secured debt, net of \$1,090 and \$969 discount at March 31, 2012 and December 31, 2011, respectively	6,371	3,491
Derivative liabilities	47	186
Total current liabilities ¹	24,239	16,117
Long-term portion secured debt, net of \$1,521 and \$1,504 discount at March 31, 2012 and December 31, 2011, respectively	26,510	24,752
Other long-term liabilities	18	24
Total liabilities	50,767	40,893
Commitments and Contingencies		
Stockholders Equity		
Preferred stock, \$0.01 par value per share; 5,000,000 shares authorized at March 31, 2012 and December 31, 2011; none issued and outstanding		
Common stock, \$0.01 par value per share; 100,000,000 authorized; 26,758,924 and 26,382,058 shares issued and outstanding at March 31, 2012 and December 31, 2011, respectively	267	264
Additional paid-in capital	230,883	226,508

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Deficit accumulated during development stage	(153,942)	(134,635)
Total stockholders' equity	77,208	92,137
Total liabilities and stockholders' equity	\$ 127,975	\$ 133,030

- 1 Liabilities of Gevo, Inc.'s consolidated subsidiaries for which creditors do not have recourse to the general credit of Gevo, Inc. were \$2.6 million and \$4.5 million at March 31, 2012 and December 31, 2011, respectively, and are recorded within current liabilities.

See notes to unaudited consolidated financial statements.

Table of Contents**GEVO, INC.****Consolidated Statements of Operations**

(in thousands, except share and per share amounts)

(unaudited)

	Three Months Ended March 31,		From June 9, 2005 (Date of Inception) To March 31, 2012
	2012	2011	
Revenue and cost of goods sold			
Ethanol sales and related products, net	\$ 14,258	\$ 15,109	\$ 92,765
Grant revenue and research and development program revenue	614	172	4,157
Licensing revenue			138
Total revenues	14,872	15,281	97,060
Cost of goods sold	15,010	15,193	89,044
Gross (loss) margin	(138)	88	8,016
Operating expenses			
Research and development	4,955	3,266	62,174
Selling, general and administrative	13,127	5,234	83,452
Other operating expenses			1,248
Total operating expenses	18,082	8,500	146,874
Loss from operations	(18,220)	(8,412)	(138,858)
Other (expense) income			
Interest and other expense	(1,087)	(892)	(9,666)
Interest and other income		50	721
Loss from change in fair value of warrant liabilities		(29)	(2,852)
Total other expense	(1,087)	(871)	(11,797)
Net loss	(19,307)	(9,283)	(150,655)
Deemed dividend amortization of beneficial conversion feature on Series D-1 convertible preferred stock		(1,094)	(3,872)
Net loss attributable to Gevo, Inc. common stockholders	\$ (19,307)	\$ (10,377)	\$ (154,527)
Net loss per share attributable to Gevo, Inc. common stockholders basic and diluted	\$ (0.74)	\$ (0.76)	
Weighted-average number of common shares outstanding basic and diluted	26,186,133	13,744,337	

See notes to unaudited consolidated financial statements.

Table of Contents**GEVO, INC.****Consolidated Statements of Cash Flows****(in thousands)****(unaudited)**

	Three Months Ended March 31,		From June 9, 2005
	2012	2011	(Date of Inception)
			To
			March 31, 2012
Operating Activities			
Net loss	\$ (19,307)	\$ (9,283)	\$ (150,655)
Adjustments to reconcile net loss to net cash used in operating activities:			
Non-cash stock-based compensation	4,119	1,321	22,665
Depreciation and amortization	788	1,013	11,080
Non-cash interest expense	393	213	3,474
Gain from change in fair value of derivatives	(201)	(109)	(620)
Loss from change in fair value of warrant liabilities		29	2,852
Other non-cash expenses			364
Changes in operating assets and liabilities (net of effects of acquisitions):			
Accounts receivable	(92)	(152)	(1,031)
Inventories	(1,640)	(1,468)	(1,884)
Prepaid expenses and other current assets	(211)	(46)	(859)
Margin deposit	88	(384)	506
Deposits and other assets		1	(90)
Accounts payable, accrued expenses, and long-term liabilities	(834)	(1,739)	7,933
Net cash used in operating activities	(16,897)	(10,604)	(106,265)
Investing Activities			
Acquisitions of property, plant and equipment, net	(8,045)	(805)	(24,295)
Other	(49)		(107)
Acquisition of Agri-Energy, net of cash assumed			(24,936)
Restricted certificate of deposit			(79)
Net cash used in investing activities	(8,094)	(805)	(49,417)

See notes to unaudited consolidated financial statements.

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Consolidated Statements of Cash Flows - Continued

(in thousands)