

# ORMAT TECHNOLOGIES, INC. REPORTS SECOND QUARTER 2010 RESULTS

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Created 2010-08-05 06:00

## ORMAT TECHNOLOGIES, INC. REPORTS SECOND QUARTER 2010 RESULTS

**RENO, Nevada, August 4, 2010** -- Ormat Technologies, Inc. (NYSE: ORA) today announced financial results for the second quarter 2010.

### Second Quarter Results

For the three-month period ended June 30, 2010, total revenues were \$96.3 million, a \$3.2 million decrease from the second quarter of 2009. The results include a 15% increase in revenues of the Electricity Segment which was offset by the expected reduced activity in the Product Segment from a record high during 2009.

For the quarter, the Company reported a net loss of \$1.5 million, or (\$0.03) per share (basic and diluted), compared to net income of \$16.0 million, or \$0.35 per share (basic and diluted), for the same period a year ago. The decrease is principally attributable to high costs of the North Brawley power plant, a \$3.1 million write-off of capitalized costs associated with an exploration prospect which we decided not to pursue, and an increase in interest expense due to a decrease in capitalized interest for projects under construction.

Other than the North Brawley power plant, our power plants performed well. The North Brawley power plant had an after tax loss of approximately \$7.4 million, or \$0.16 per share, for the quarter. Although measures are in process to reduce operating costs, financial improvement of the North Brawley power plant is expected only when production ramps up later in the year.

Commenting on the results, Dita Bronicki, Chief Executive Officer of Ormat, stated: "The low generation and high operating costs at the North Brawley power plant had a significant impact on this quarter's results. Presently, the plant is operating at a stable output of approximately 20MW. We expect financial improvement as the plant's output increases toward 50 MW later in the year. We expect breakeven results for North Brawley sometime in 2011. With the strong results from the rest of our plants and the success of the enhancement programs in other facilities, most notably Puna, we expect the overall results from the Electricity Segment to improve in the coming months."

"Important achievements occurred in several business development and financing areas that we expect will have a positive impact on our future results," continued Dita Bronicki.

"We closed on approximately \$142 million of 7-year senior unsecured bonds;

"We completed the acquisition of the remaining 50% interest in the Mammoth complex and will be able to

move quickly to modernize the complex and generate higher revenue from the existing field and its expansion;

? We submitted our first application for a DOE Loan Guarantee for three geothermal projects under construction in Nevada; and

? Secured support for the Mount Spurr project in Alaska by the passage of Alaska Senate Bill 243, which significantly reduces royalty rates paid from geothermal production on state lands, and the recent Alaska Energy Authority approval of a \$2 million grant from the Renewable Energy Grant Fund to support our exploration and drilling program this summer.?

Electricity revenues for the second quarter of 2010 increased by 15% to \$68.8 million from \$59.8 million in the second quarter of 2009. The increase in revenues was primarily due to North Brawley being placed into service in January 2010, and increased output from Puna resulting from repair work completed in June 2010. Total output increased by 11% from 796,000 MWh in the second quarter of 2009 to 880,000 MWh in the second quarter of 2010. The average revenue rate of the Company's electricity portfolio increased from \$75 per MWh in the second quarter of 2009 to \$78 per MWh in the second quarter of 2010.

Product revenues for the three-month period ended June 30, 2010 were \$27.5 million, compared to \$39.7 million in 2009. As noted in recent earnings releases, the Company expects revenues in the Product Segment to be down from last year's high throughout the rest of the year.

Adjusted EBITDA for the second quarter of 2010 was \$24.0 million, compared to \$39.8 million in the same quarter last year. Adjusted EBITDA includes consolidated EBITDA and the Company's share in the interest, taxes, depreciation and amortization related to the Company's unconsolidated 50% interest in the Mammoth complex in California. As further described in "Reconciliation of EBITDA and Adjusted EBITDA and Additional Cash Flows Information" below, the Company changed the method for calculating EBITDA and adjusted EBITDA beginning in the third quarter of 2009.

Cash and cash equivalents as of June 30, 2010 were \$54.2 million. The Company has available committed lines of credit with commercial banks aggregating \$362.5 million, of which \$68.7 million is unused.

The Company submitted an application for the American Recovery and Reinvestment Act ("ARRA") cash grant for the North Brawley power plant in June 2010 and expects to receive the funds shortly.

On August 4, 2010, Ormat's Board of Directors approved the payment of a quarterly dividend of \$0.05 per share pursuant to the Company's dividend policy, which targets an annual payout ratio of at least 20% of the Company's net income. The dividend will be paid on August 26, 2010 to shareholders of record as of the close of business on August 17, 2010. The Company expects to pay a dividend of \$0.05 per share for the third quarter of 2010.

Commenting on the outlook for 2010, Ms. Bronicki said, "We are updating our guidance to reflect the consolidation of the Mammoth complex revenues starting August 2010 and expect 2010 Electricity Segment revenues to be between \$285 million and \$295 million. This number does not include our share in the revenues of the Mammoth complex of approximately \$6 million for the first seven months of 2010 that was accounted by the equity method. With regard to the Product Segment, we expect 2010 revenues to be between \$75 million and \$85 million."

## **Six-Month Results**

For the six-month period ended June 30, 2010, total revenues were \$178.9 million, a decrease of 10.0% from \$198.8 million in the same period last year. Net income for the period was \$0.3 million, or \$0.01 per share (basic and diluted), compared to net income of \$30.5 million, or \$0.67 per share (basic and diluted),

in the same period last year.

Electricity Segment revenues for the six-month period ended June 30, 2010 were \$134.9 million, compared to \$121.9 million in the same period a year ago. Product Segment revenues for the first half of 2010 were \$44.0 million, compared to \$76.9 million in the same period in 2009.

Adjusted EBITDA for the six-month period was \$56.1 million, compared to \$77.2 million in the same period a year ago. Adjusted EBITDA includes consolidated EBITDA and the Company's share in the interest, taxes, depreciation and amortization related to the Company's unconsolidated 50% interest in the Mammoth complex in California. As further described in "Reconciliation of EBITDA and Adjusted EBITDA and Additional Cash Flows Information" below, we changed the method for calculating EBITDA and adjusted EBITDA beginning in the third quarter of 2009.

## Conference Call Details

Ormat will host a conference call to discuss its financial results and other matters discussed in this press release at 10:00 A.M. EDT on Thursday, August 5, 2010. The call will be available as a live, listen-only webcast at [www.ormat.com](http://www.ormat.com) [1]. During the webcast, management will refer to slides that will be posted on the web site. The slides and accompanying webcast can be accessed through the Webcast & Presentations in the Investor Relations section of Ormat's website.

A 30-day archive of the webcast will be available approximately 2 hours after the conclusion of the live call. A replay will be available from available from 1 p.m. EDT on August 5, 2010 through 11:59 p.m. EDT, August 12, 2010. Please call: (800) 642-1687 (U.S. and Canada) (706) 645-9291 (International) and enter the Reply code: 87735952

## About Ormat Technologies

Ormat Technologies, Inc. is the only vertically-integrated company primarily engaged in the geothermal and recovered energy power business. The Company designs, develops, owns and operates geothermal and recovered energy-based power plants around the world. Additionally, the Company designs, manufactures and sells geothermal and recovered energy power units and other power-generating equipment, and provides related services. The Company has more than four decades of experience in the development of environmentally-sound power, primarily in geothermal and recovered-energy generation. Ormat products and systems are covered by 75 U.S. patents. Ormat has engineered and built power plants, that it currently owns or has supplied to utilities and developers worldwide, totaling approximately 1300 MW of gross capacity. Ormat's current generating portfolio includes the following geothermal and recovered energy-based power plants: in the United States - Brady, Brawley, Heber, Mammoth, Ormesa, Puna, Steamboat, OREG 1, OREG 2 and Peetz; in Guatemala - Zunil and Amatitlan; in Kenya - Olkaria III; and, in Nicaragua - Momotombo.

## Ormat's Safe Harbor Statement

Information provided in this press release may contain statements relating to current expectations, estimates, forecasts and projections about future events that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally relate to Ormat's plans, objectives and expectations for future operations and are based upon its management's current estimates and projections of future results or trends. Actual future results may differ materially from those projected as a result of certain risks and uncertainties. For a discussion of such risks and uncertainties, see "Risk Factors" as described in Ormat Technologies, Inc.'s Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 8, 2010.

These forward-looking statements are made only as of the date hereof, and we undertake no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

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