

COVANTA HOLDING CORP
Form 10-Q
July 28, 2016
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 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, 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 1-06732

COVANTA HOLDING CORPORATION

(Exact name of registrant as specified in its charter)

Delaware 95-6021257
(State or Other Jurisdiction of (I.R.S. Employer
Incorporation or Organization) Identification Number)

445 South Street, Morristown, NJ 07960
(Address of Principal Executive Office) (Zip Code)
(862) 345-5000
(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 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

Applicable Only to Corporate Issuers:

Indicate the number of shares of the registrant's Common Stock outstanding as of the latest practicable date.

Class Outstanding at July 22, 2016
Common Stock, \$0.10 par value 130,435,167

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COVANTA HOLDING CORPORATION AND SUBSIDIARIES
 FORM 10-Q QUARTERLY REPORT
 For the Quarter Ended June 30, 2016

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are those that address activities, events or developments that we or our management intends, expects, projects, believes or anticipates will or may occur in the future. They are based on management’s assumptions and assessments in the light of past experience and trends, current economic and industry conditions, expected future developments and other relevant factors. They are not guarantees of future performance, and actual results, developments and business decisions may differ from those envisaged by our forward-looking statements. Our forward-looking statements are also subject to risks and uncertainties, which can affect our performance in both the near- and long-term. These forward-looking statements should be considered in the light of the information included in this report and our other filings with the Securities and Exchange Commission, including, without limitation, the Risk Factors, as well as the description of trends and other factors in Management’s Discussion and Analysis of Financial Condition and Results of Operations, set forth in our 2015 Annual Report on Form 10-K.

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PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

COVANTA HOLDING CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended June 30, 2016 2015		Six Months Ended June 30, 2016 2015	
	(Unaudited)			
	(In millions, except per share amounts)			
OPERATING REVENUE:				
Waste and service revenue	\$297	\$276	\$576	\$522
Energy revenue	86	99	187	211
Recycled metals revenue	17	17	30	33
Other operating revenue	18	16	28	25
Total operating revenue	418	408	821	791
OPERATING EXPENSE:				
Plant operating expense	314	300	629	589
Other operating expense	19	26	31	37
General and administrative expense	25	23	48	51
Depreciation and amortization expense	51	50	103	98
Impairment charges	4	24	19	24
Total operating expense	413	423	830	799
Operating income (loss)	5	(15)	(9)	(8)
Other expense:				
Interest expense, net	(34)	(33)	(68)	(68)
Loss on extinguishment of debt	—	(2)	—	(2)
Other income (expense), net	2	1	—	(1)
Total other expense	(32)	(34)	(68)	(71)
Loss before income tax (expense) benefit and equity in net income from unconsolidated investments	(27)	(49)	(77)	(79)
Income tax (expense) benefit	(3)	40	7	30
Equity in net income from unconsolidated investments	1	3	4	6
NET LOSS ATTRIBUTABLE TO COVANTA HOLDING CORPORATION	\$(29)	\$(6)	\$(66)	\$(43)

Weighted Average Common Shares Outstanding: