

CHICAGO BRIDGE & IRON CO N V  
Form 10-Q  
April 24, 2018

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 March 31, 2018

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 1-12815

CHICAGO BRIDGE & IRON COMPANY N.V.  
The Netherlands Prinses Beatrixlaan 35  
(State or other jurisdiction of 2595 AK The Hague  
of incorporation or organization) The Netherlands

98-0420223  
(I.R.S. Employer Identification No.)

31 70 373 2010  
(Address and telephone number of 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 Website, 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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth 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

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

Yes  No

The number of shares outstanding of the registrant's common stock as of April 16, 2018 – 102,548,319

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CHICAGO BRIDGE & IRON COMPANY N.V.

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## PART I—FINANCIAL INFORMATION

## Item 1. Condensed Consolidated Financial Statements

CHICAGO BRIDGE & IRON COMPANY N.V.  
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
 (In thousands, except per share data)

	Three Months Ended March 31,	
	2018	2017
	(Unaudited)	
Revenue	\$1,745,619	\$1,827,352
Cost of revenue	1,572,520	1,676,401
Gross profit	173,099	150,951
Selling and administrative expense	64,498	73,057
Intangibles amortization	6,552	6,486
Equity earnings	(9,444	) (7,611
Restructuring related costs	5,110	—
Other operating (income) expense, net	(1,314	) 31
Income from operations	107,697	78,988
Interest expense	(52,452	) (24,101
Interest income	577	1,228
Income from operations before taxes	55,822	56,115
Income tax expense	(11,164	) (13,704
Net income from continuing operations	44,658	42,411
Net income from discontinued operations	—	9,494
Net income	44,658	51,905
Less: Net income attributable to noncontrolling interests (\$0 and \$413 related to discontinued operations)	(764	) (27,250
Net income attributable to CB&I	\$43,894	\$24,655
Net income attributable to CB&I per share (Basic):		
Continuing operations	\$0.43	\$0.16
Discontinued operations	—	0.09
Total	\$0.43	\$0.25
Net income attributable to CB&I per share (Diluted):		
Continuing operations	\$0.43	\$0.15
Discontinued operations	—	0.09
Total	\$0.43	\$0.24
Weighted average shares outstanding:		
Basic	102,333	100,451
Diluted	102,627	101,360
Cash dividends on shares:		
Amount	\$—	\$7,047
Per share	\$—	\$0.07

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

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CHICAGO BRIDGE & IRON COMPANY N.V.  
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)  
 (In thousands)

	Three Months Ended March 31,	
	2018	2017
	(Unaudited)	
Net income	\$44,658	\$51,905
Other comprehensive income (loss), net of tax:		
Change in cumulative translation adjustment	15,866	24,410
Change in unrealized fair value of cash flow hedges	(72 )	353
Change in unrecognized prior service pension credits/costs	(52 )	(76 )
Change in unrecognized actuarial pension gains/losses	(3,918 )	(1,433 )
Other comprehensive income from discontinued operations - change in cumulative translation adjustment	—	495
Comprehensive income	56,482	75,654
Net income attributable to noncontrolling interests (\$0 and \$413 related to discontinued operations)	(764 )	(27,250 )
Change in cumulative translation adjustment attributable to noncontrolling interests	416	(970 )
Comprehensive income attributable to CB&I	\$56,134	\$47,434

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

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CHICAGO BRIDGE & IRON COMPANY N.V.  
 CONDENSED CONSOLIDATED BALANCE SHEETS  
 (In thousands)

	March 31, 2018 (Unaudited)	December 31, 2017
Assets		
Cash and cash equivalents (\$113,128 and \$165,771 related to variable interest entities ("VIEs"))	\$ 305,229	\$ 354,639
Accounts receivable, net (\$24,773 and \$42,288 related to VIEs)	766,123	759,701
Inventory	112,978	101,573