

CVR PARTNERS, LP  
Form 10-Q  
April 26, 2018  
Table of Contents

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
Form 10-Q  
(Mark One)

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: 001-35120

CVR Partners, LP  
(Exact name of registrant as specified in its charter)  
Delaware 56-2677689  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification No.)  
2277 Plaza Drive, Suite 500  
Sugar Land, Texas 77479  
(Address of principal executive offices) (Zip Code)  
(281) 207-3200  
(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, 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)

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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.

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

Yes  No

There were 113,282,973 common units outstanding at April 24, 2018.

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CVR PARTNERS, LP AND SUBSIDIARIES

INDEX TO QUARTERLY REPORT ON FORM 10-Q  
For The Quarter Ended March 31, 2018

	Page No.
<u>Part I. Financial Information</u>	
<u>Item 1. Financial Statements</u>	<u>5</u>
<u>Condensed Consolidated Balance Sheets - March 31, 2018 (unaudited) and December 31, 2017</u>	<u>5</u>
<u>Condensed Consolidated Statements of Operations - Three Months Ended March 31, 2018 and 2017 (unaudited)</u>	<u>6</u>
<u>Condensed Consolidated Statements of Partners' Capital - Three Months Ended March 31, 2018 (unaudited)</u>	<u>7</u>
<u>Condensed Consolidated Statements of Cash Flows - Three Months Ended March 31, 2018 and 2017 (unaudited)</u>	<u>8</u>
<u>Notes to the Condensed Consolidated Financial Statements - March 31, 2018 (unaudited)</u>	<u>9</u>
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>23</u>
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	<u>37</u>
<u>Item 4. Controls and Procedures</u>	<u>37</u>
<u>Part II. Other Information</u>	
<u>Item 1. Legal Proceedings</u>	<u>38</u>
<u>Item 1A. Risk Factors</u>	<u>38</u>
<u>Item 5. Other Information</u>	<u>38</u>
<u>Item 6. Exhibits</u>	<u>38</u>
<u>Signatures</u>	<u>40</u>

Table of Contents

GLOSSARY OF SELECTED TERMS

The following are definitions of certain terms used in this Quarterly Report on Form 10-Q for the quarter ended March 31, 2018 (this "Report"):

2023 Notes	\$645.0 million aggregate principal amount of 9.25% Senior Notes due 2023, which were issued through CVR Partners and CVR Nitrogen Finance Corporation.
ABL Credit Facility	The Partnership's senior secured asset based revolving credit facility with a group of lenders and UBS AG, Stamford Branch, as administrative agent and collateral agent.
ammonia	Ammonia is a direct application fertilizer and is primarily used as a building block for other nitrogen products for industrial applications and finished fertilizer products.
capacity	Capacity is defined as the throughput a process unit is capable of sustaining, either on a calendar or stream day basis. The throughput may be expressed in terms of maximum sustainable, nameplate or economic capacity. The maximum sustainable or nameplate capacities may not be the most economical. The economic capacity is the throughput that generally provides the greatest economic benefit based on considerations such as feedstock costs, product values and downstream unit constraints.
Coffeyville Facility	CVR Partners' nitrogen fertilizer manufacturing facility located in Coffeyville, Kansas.
common units	Common units representing limited partner interests of CVR Partners.
corn belt	The primary corn producing region of the United States, which includes Illinois, Indiana, Iowa, Minnesota, Missouri, Nebraska, Ohio and Wisconsin.
CVR Energy	CVR Energy, Inc., a publicly traded company listed on the New York Stock Exchange under the ticker symbol "CVI," which indirectly owns our general partner and the common units owned by Coffeyville Resources, LLC.
CVR Partners	CVR Partners, LP.
CVR Refining	CVR Refining, LP, a publicly traded limited partnership listed on the New York Stock Exchange under the ticker symbol "CVRR," which through its subsidiaries, currently owns and operates a complex full coking medium-sour crude oil refinery with a rated capacity of 115,000 barrels per calendar day (bpcd) in Coffeyville, Kansas, a complex crude oil refinery with a rated capacity of 70,000 bpcd in Wynnewood, Oklahoma and ancillary businesses.
East Dubuque Facility	CVR Partners' nitrogen fertilizer manufacturing facility located in East Dubuque, Illinois.
farm belt	Refers to the states of Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Texas and Wisconsin.

general partner	CVR GP, LLC, our general partner, which is a wholly-owned subsidiary of Coffeyville Resources, LLC.
MMBtu	One million British thermal units: a measure of energy. One Btu of heat is required to raise the temperature of one pound of water one degree Fahrenheit.
MSCF	One thousand standard cubic feet, a customary gas measurement.
netback	Netback represents net sales less freight revenue divided by product sales volume in tons. Netback is also referred to as product pricing at gate.
on-stream	Measurement of the reliability of the gasification, ammonia and UAN units, defined as the total number of hours operated by each unit divided by the total number of hours in the reporting period.
Partnership	CVR Partners, LP.

Table of Contents

pet coke	Petroleum coke - a coal-like substance that is produced during the oil refining process.
product pricing at gate	Product pricing at gate represents net sales less freight revenue divided by product sales volume in tons. Product pricing at gate is also referred to as netback.
southern plains	Primarily includes Oklahoma, Texas and New Mexico.
ton	One ton is equal to 2,000 pounds.
turnaround	A periodically required standard procedure to refurbish and maintain a facility that involves the shutdown and inspection of major processing units.
UAN	UAN is an aqueous solution of urea and ammonium nitrate used as a fertilizer.

Table of Contents

## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

## CVR PARTNERS, LP AND SUBSIDIARIES

## CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2018 (unaudited)	December 31, 2017 (unaudited)
	(in thousands, except unit data)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$61,111	\$ 49,173
Accounts receivable, net of allowance for doubtful accounts of \$53 and \$28 at March 31, 2018 and December 31, 2017, respectively	14,948	9,855
Inventories	57,793	54,097
Prepaid expenses and other current assets, including \$356 and \$315 with affiliates at March 31, 2018 and December 31, 2017, respectively	5,249	5,793
Total current assets	139,101	118,918
Property, plant, and equipment, net of accumulated depreciation	1,054,941	1,069,526
Goodwill	40,969	40,969
Other long-term assets	4,484	4,863
Total assets	\$1,239,495	\$ 1,234,276
<b>LIABILITIES AND PARTNERS' CAPITAL</b>		
Current liabilities:		
Accounts payable, including \$2,319 and \$2,223 due to affiliates at March 31, 2018 and December 31, 2017, respectively	\$24,046	\$ 23,518
Personnel accruals, including \$993 and \$1,521 with affiliates at March 31, 2018 and December 31, 2017, respectively	5,267	8,240
Deferred revenue	24,229	12,895
Accrued expenses and other current liabilities, including \$939 and \$3,221 with affiliates at March 31, 2018 and December 31, 2017, respectively	26,002	11,442
Total current liabilities	79,544	56,095
Long-term liabilities:		
Long-term debt, net of current portion	626,648	625,904
Other long-term liabilities	2,501	2,424
Total long-term liabilities	629,149	628,328
Commitments and contingencies		
Partners' capital:		
Common unitholders, 113,282,973 units issued and outstanding at March 31, 2018 and December 31, 2017	530,801	549,852
General partner interest	1	1
Total partners' capital	530,802	549,853
Total liabilities and partners' capital	\$1,239,495	\$ 1,234,276
See accompanying notes to the condensed consolidated financial statements.		

Table of Contents

CVR PARTNERS, LP AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended March 31, 2018    2017	
	(unaudited) (in thousands, except per unit data)	
Net sales	\$79,859	\$85,321
Operating costs and expenses:		
Cost of materials and other — Affiliates		