

STRATUS PROPERTIES INC  
Form 10-Q  
November 09, 2018

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  
September 30,  
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:  
001-37716

Stratus Properties Inc.  
(Exact name of registrant as specified in its charter)  
Delaware 72-1211572  
(State or other jurisdiction of (I.R.S. Employer Identification No.)  
incorporation or organization)

212 Lavaca St., Suite 300

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Austin, Texas 78701  
(Address of principal executive offices) (Zip Code)

(512) 478-5788  
(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, 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  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 in Rule 12b-2 of the Exchange Act).   
Yes  No

On October 31, 2018, there were issued and outstanding 8,164,370 shares of the registrant's common stock, par value \$0.01 per share.

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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements.

STRATUS PROPERTIES INC.  
CONSOLIDATED BALANCE SHEETS (Unaudited)  
(In Thousands)

	September 30, 2018	December 31, 2017
<b>ASSETS</b>		
Cash and cash equivalents	\$ 21,182	\$ 14,611
Restricted cash	25,910	24,779
Real estate held for sale	18,980	22,612
Real estate under development	136,645	118,484
Land available for development	23,947	14,804
Real estate held for investment, net	234,796	188,390
Deferred tax assets	12,542	11,461
Other assets	14,054	10,852
Total assets	\$ 488,056	\$ 405,993
<b>LIABILITIES AND EQUITY</b>		
Liabilities:		
Accounts payable	\$ 20,976	\$ 22,809
Accrued liabilities, including taxes	10,428	13,429
Debt	293,739	221,470
Deferred gain	9,926	11,320
Other liabilities	12,620	9,575
Total liabilities	347,689	278,603
Commitments and contingencies		
Equity:		
Stockholders' equity:		
Common stock	93	93
Capital in excess of par value of common stock	186,024	185,395
Accumulated deficit	(42,220	) (37,121
Common stock held in treasury	(21,260	) (21,057
Total stockholders' equity	122,637	127,310
Noncontrolling interests in subsidiaries	17,730	80
Total equity	140,367	127,390
Total liabilities and equity	\$ 488,056	\$ 405,993

The accompanying Notes to Consolidated Financial Statements (Unaudited) are an integral part of these consolidated financial statements.



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STRATUS PROPERTIES INC.  
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME (Unaudited)  
 (In Thousands, Except Per Share Amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Revenues:				
Real estate operations	\$ 2,100	2,923	\$ 10,273	\$ 9,108
Leasing operations	2,813	1,923	7,148	6,015
Hotel	8,172	7,738	27,087	27,817
Entertainment	4,838	4,638	14,490	16,375
Total revenues	17,923	17,222	58,998	59,315
Cost of sales:				
Real estate operations	2,279	2,204	9,405	8,048
Leasing operations	1,227	1,091	3,732	3,749
Hotel	6,625	6,676	20,803	21,277
Entertainment	4,008	3,666	11,412	12,298
Depreciation	2,171	2,031	6,166	5,928
Total cost of sales	16,310	15,668	51,518	51,300
General and administrative expenses	2,650	2,220	8,646	8,462
Profit participation in sale of The Oaks at Lakeway	—	—	—	2,538
Gain on sale of assets	—	Ø24,306	—	—