

MACERICH CO
Form 10-Q
August 07, 2017

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, 2017
Commission File No. 1-12504

THE MACERICH COMPANY
(Exact name of registrant as specified in its charter)
MARYLAND 95-4448705
(State or other jurisdiction of (I.R.S. Employer Identification Number)
incorporation or organization)
401 Wilshire Boulevard, Suite 700, Santa Monica, California 90401
(Address of principal executive office, including zip code)
(310) 394-6000
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since
last report)

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 twelve (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 ninety (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 twelve (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 definitions of large accelerated filer, accelerated filer, smaller reporting company and emerging growth company in Rule 12b-2 of the Exchange Act.

Non-accelerated filer

Large accelerated filer Accelerated filer (Do not check if a 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

Number of shares outstanding as of August 4, 2017 of the registrant's common stock, par value \$0.01 per share:
141,414,438 shares

THE MACERICH COMPANY
FORM 10-Q
INDEX

Part I Financial Information

<u>Item 1.</u>	<u>Financial Statements (Unaudited)</u>	<u>3</u>
	<u>Consolidated Balance Sheets as of June 30, 2017 and December 31, 2016</u>	<u>3</u>
	<u>Consolidated Statements of Operations for the three and six months ended June 30, 2017 and 2016</u>	<u>4</u>
	<u>Consolidated Statement of Equity for the six months ended June 30, 2017</u>	<u>5</u>
	<u>Consolidated Statements of Cash Flows for the six months ended June 30, 2017 and 2016</u>	<u>6</u>
	<u>Notes to Consolidated Financial Statements</u>	<u>8</u>
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>26</u>
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>40</u>
<u>Item 4.</u>	<u>Controls and Procedures</u>	<u>41</u>
Part II Other Information		
<u>Item 1.</u>	<u>Legal Proceedings</u>	<u>42</u>
<u>Item 1A.</u>	<u>Risk Factors</u>	<u>42</u>
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>42</u>
<u>Item 3.</u>	<u>Defaults Upon Senior Securities</u>	<u>42</u>
<u>Item 4.</u>	<u>Mine Safety Disclosures</u>	<u>42</u>
<u>Item 5.</u>	<u>Other Information</u>	<u>42</u>
<u>Item 6.</u>	<u>Exhibits</u>	<u>43</u>
	<u>Signature</u>	<u>44</u>

Table of Contents

THE MACERICH COMPANY
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except par value)
(Unaudited)

	June 30, 2017	December 31, 2016
ASSETS:		
Property, net	\$7,198,283	\$7,357,310
Cash and cash equivalents	87,133	94,046
Restricted cash	50,304	49,951
Tenant and other receivables, net	116,089	136,998
Deferred charges and other assets, net	452,280	478,058
Due from affiliates	81,545	68,227
Investments in unconsolidated joint ventures	1,696,572	1,773,558
Total assets	\$9,682,206	\$9,958,148
LIABILITIES AND EQUITY:		
Mortgage notes payable:		
Related parties	\$174,037	\$176,442
Others	3,817,348	3,908,976
Total	3,991,385	4,085,418
Bank and other notes payable	996,129	880,482
Accounts payable and accrued expenses	56,596	61,316
Other accrued liabilities	322,643	366,165
Distributions in excess of investments in unconsolidated joint ventures	95,131	78,626
Co-venture obligation	59,647	58,973
Total liabilities	5,521,531	5,530,980
Commitments and contingencies		
Equity:		
Stockholders' equity:		
Common stock, \$0.01 par value, 250,000,000 shares authorized, 141,556,410 and 143,985,036 shares issued and outstanding at June 30, 2017 and December 31, 2016, respectively	1,416	1,440
Additional paid-in capital	4,521,945	4,593,229
Accumulated deficit	(663,805)	(488,782)
Total stockholders' equity	3,859,556	4,105,887
Noncontrolling interests	301,119	321,281
Total equity	4,160,675	4,427,168
Total liabilities and equity	\$9,682,206	\$9,958,148

The accompanying notes are an integral part of these consolidated financial statements.

Table of ContentsTHE MACERICH COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in thousands, except per share amounts)

(Unaudited)

	For the Three Months		For the Six Months	
	Ended June 30,		Ended June 30,	
	2017	2016	2017	2016
Revenues:				
Minimum rents	\$ 152,893	\$ 152,448	\$ 298,448	\$ 303,496
Percentage rents	2,060	2,394	3,978	5,408
Tenant recoveries	68,948	75,948	141,360	156,121
Other	13,519	17,789	28,783	30,937
Management Companies	10,003	11,325	21,899	19,942
Total revenues	247,423			