BAYTEX ENERGY CORP.
Form 6-K
March 18, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 6-K
Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 Under the
Securities Exchange Act of 1934
For the month of March 2014

Commission File Number: 1-32754

BAYTEX ENERGY CORP.
(Exact name of registrant as specified in its charter)
2800, 520 – 3rd AVENUE S.W.
CALGARY, ALBERTA, CANADA
T2P 0R3
(Address of principal executive office)
Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.
Form 20-F £ Form 40-F S
Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted
by Regulation S-T Rule 101(b)(1): £

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted
by Regulation S-T Rule 101(b)(7): £

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.
Yes £ No S
If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):

The following document attached as an exhibit hereto is incorporated by reference herein:

Exhibit No.	Document
99.1	Press Release dated March 17, 2014 (Baytex Confirms Monthly Dividend for March at $0.22 Per Share)

SIGNATURES
Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.
BAYTEX ENERGY CORP.

/s/ Murray J. Desrosiers______
Name: Murray J. Desrosiers
Title: Vice President, General Counsel and Corporate Secretary

Dated: March 17, 2014

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)%

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(35

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$

(29,098

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99.9

%

The impairment recoveries recorded during the three and nine months ended September 30, 2017 were related to insurance proceeds received as a partial settlement for fire damage to the Mount Royal Hotel.

Income Taxes

The effective tax rate was 21.8% for the three months ended September 30, 2018 and 30.4% for the three months ended September 30, 2017. The effective tax rate was 22.8% for the nine months ended September 30, 2018 and 29.0% for the nine months ended September 30, 2017. The decrease in the effective rate for 2018 was primarily due to a $3.1 million benefit related to reductions in our estimated repatriation tax and the re-measurement of our deferred tax assets, as well as the lower federal tax rate due to Tax Reform, partially offset by increased non-deductible expenses, a higher effective state tax rate, and our mix of domestic versus foreign income, which is taxed at higher rates.

Discontinued Operations

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in thousands)	2018	2017	Percentage Change 2018 vs. 2017	2018	2017	Percentage Change 2018 vs. 2017
Income (loss) from discontinued operations	$(246)	$(101)	**	$403	$(408)	**

** Change is greater than +/- 100%

The loss from discontinued operations for the three months ended September 30, 2018 and 2017 was primarily related to legal expenses associated with previously sold operations. The income from discontinued operations for the nine months ended September 30, 2018 was primarily related to a favorable legal settlement related to previously sold operations. The loss from discontinued operations for the nine months ended September 30, 2017 was primarily related to legal expenses associated with previously sold operations, offset in part by a reduction in an uncertain tax position due to the lapse of statute.

Liquidity and Capital Resources

Cash and cash equivalents were $55.5 million as of September 30, 2018, as compared to $53.7 million as of December 31, 2017. During the nine months ended September 30, 2018, we generated net cash from operating activities of $101.6 million. We believe that our existing sources of liquidity will be sufficient to fund operations and capital commitments for at least the next 12 months.

As of September 30, 2018, approximately $46.0 million of our cash and cash equivalents was held outside of the United States, consisting of $23.7 million in Canada, $9.1 million in the Netherlands, $4.7 in the United Arab Emirates, $4.4 million in the United Kingdom, and $1.7 million in certain other countries. In addition, there is $2.4 million in Iceland related to our investment in Esja, which will be used to develop the FlyOver Iceland attraction.

Cash Flows

Operating Activities

	Nine Months Ended September 30,	
(in thousands)	2018	2017
Net income	$52,093	$80,128
Depreciation and amortization	44,364	42,499
Deferred income taxes	3,182	318
(Income) loss from discontinued operations	(403)	408
Impairment recoveries	(35)	(29,098)
Other non-cash items	9,473	14,369
Changes in assets and liabilities	(7,064)	6,019
Net cash provided by operating activities	$101,610	$114,643

Net cash provided by operating activities decreased $13.0 million, primarily due to an unfavorable change in working capital.

Investing Activities

	Nine Months Ended September 30,	
(in thousands)	2018	2017
Capital expenditures	$(69,596)	$(39,493)
Proceeds from insurance	—	31,570
Cash paid for acquired businesses, net	—	(1,661)
Proceeds from dispositions of property and other assets	1,320	734
Net cash used in investing activities	$(68,276)	$(8,850)

Net cash used in investing activities increased $59.4 million primarily due to an increase in capital expenditures in 2018. In addition, we received $31.6 million of Mount Royal Hotel fire-related insurance proceeds in 2017.

40

Financing Activities

(in thousands)	Nine Months Ended September 30, 2018	2017
Proceeds from borrowings	$101,336	$60,574
Payments on debt and capital lease obligations	(113,429)	(128,808)
Dividends paid on common stock	(6,128)	(6,119)
Debt issuance costs	—	(5)
Common stock purchased for treasury	(10,240)	(1,272)
Proceeds from exercise of stock options	84	—
Net cash used in financing activities	$(28,377)	$(75,630)

Net cash used in financing activities decreased $47.3 million primarily due to net debt payments of $12.1 million during the nine months ended September 30, 2018 compared to $68.2 million during the nine months ended September 30, 2017, offset in part by the repurchase of treasury shares of $10.2 million in 2018 compared to $1.3 million in 2017.

Debt and Capital Lease Obligations

Refer to Note 12 – Debt and Capital Lease Obligations of the Notes to Condensed Consolidated Financial Statements for further discussion, which discussion is incorporated by reference herein.

Share Repurchases

Our Board of Directors has authorized us to repurchase shares of our common stock from time to time at prevailing market prices. During the nine months ended September 30, 2018, we repurchased 175,091 shares on the open market for $9.1 million. No shares were repurchased on the open market during 2017. As of September 30, 2018, 265,449 shares remained available for repurchase. The Board of Directors' authorization does not have an expiration date. We repurchased 21,767 shares for $1.2 million during the nine months ended September 30, 2018 and 26,916 shares for $1.3 million during 2017 related to tax withholding requirements on vested share-based awards.

Off-Balance Sheet Arrangements

We have not entered into any off-balance sheet arrangements with unconsolidated special-purpose or other entities that would materially affect our financial position, results of operations, liquidity, or capital resources. Furthermore, we do not have any relationships with special-purpose or other entities that provide off-balance sheet financing; liquidity, market risk, or credit risk support; or engage in leasing or other services that may expose us to liability or risks of loss that are not reflected in the condensed consolidated financial statements and related notes. Refer to Note 12 – Debt and Capital Lease Obligations and Note 19 – Litigation, Claims, Contingencies, and Other of the Notes to Condensed Consolidated Financial Statements (Part I, Item 1 of this quarterly report on Form 10-Q) for further information, which information is incorporated by reference herein.

Critical Accounting Policies and Estimates

Critical accounting policies are those policies that are most important to the portrayal of our financial position and results of operations, and that require us to make the most difficult and subjective judgements, often as a result of the need to make estimates of matters that are inherently uncertain. Following is our revenue recognition policy, which we revised upon the adoption of Topic 606. Refer to “Management’s Discussion and Analysis of Financial Condition and Results of Operations” (Part II, Item 7) of our Annual Report on Form 10-K for the year ended December 31, 2017, for a discussion of all our other critical accounting policies and estimates.

Revenue recognition – Beginning January 1, 2018, revenue is measured based on a specified amount of consideration in a contract with a customer, net of commissions paid to customers and amounts collected on behalf of third parties. We recognize revenue when a performance obligation is satisfied by transferring control of a product or service to a customer.

GES’ service revenue is primarily derived through its comprehensive range of services to event organizers and corporate brand marketers including Core Services, Audio-Visual, and Event Technology. GES’ service revenue is earned over time over the duration of the exhibition, conference or corporate event, which generally lasts one to three days; however we use the practical expedient of recognizing service revenue at the close of the event when we have the right to invoice. GES’ product revenue is derived from the build of exhibits and environments and graphics. GES’ product revenue is recognized at a point in time upon delivery of the product.

Pursuit's service revenue is derived through its accommodations, admissions, transportation, and travel planning services. Pursuit's product revenue is derived through food and beverage and retail sales. Pursuit's revenue is recognized at the time services are performed or upon delivery of the product. Pursuit's service revenue is recognized over time as the customer simultaneously receives and consumes the benefits. Pursuit's product revenue is recognized at a point in time.

Impact of Recent Accounting Pronouncements

Refer to Note 1 – Overview and Basis of Presentation of the Notes to Condensed Consolidated Financial Statements for further information.

Non-GAAP Measures

In addition to disclosing financial results that are determined in accordance with U.S. generally accepted accounting principles ("GAAP"), we also disclose non-GAAP financial measures of Segment operating income, organic revenue, and organic segment operating income (collectively, the "Non-GAAP Measures"). The presentation of the Non-GAAP Measures is supplemental to, but not as a substitute for, other measures of financial performance reported in accordance with GAAP. As not all companies use identical calculations, the Non-GAAP Measures may not be comparable to similarly titled measures used by other companies. We believe that the presentation of the Non-GAAP Measures provides useful information to investors regarding our results of operations for trending, analyzing, and benchmarking the performance and value of our business.

- "Segment operating income" is net income attributable to Viad before income (loss) from discontinued operations, corporate activities, interest expense and interest income, income taxes, restructuring charges, impairment recoveries, and the reduction for income attributable to noncontrolling interest. Segment operating income is used to measure the profit and performance of our operating segments to facilitate period-to-period comparisons. Refer to Note 21 – Segment Information of the Notes to Condensed Consolidated Financial Statements for a reconciliation of segment operating income to income from continuing operations before income taxes.
- "Organic revenue" and "organic segment operating income" are revenue and segment operating income (as defined above), respectively, without the impact of exchange rate variances and acquisitions, if any, until such acquisitions are included in the entirety of both comparable periods. The impact of exchange rate variances is calculated as the difference between current period activity translated at the current period's exchange rates and the comparable prior period's exchange rates. We believe the presentation of "organic" results permits investors to better understand our performance without the effects of exchange rate variances or acquisitions and to facilitate period-to-period comparisons and analysis of our operating performance. Refer to the "Results of Operations" section of this MD&A for reconciliations of organic revenue and organic segment operating income to the most directly comparable GAAP measures.

The Non-GAAP Measures are considered useful operating metrics as potential variations arising from taxes, debt service costs, impairment recoveries, changes in accounting principles, and the effects of discontinued operations are eliminated, thus resulting in additional measures considered to be indicative of our ongoing operations and segment performance. Although the Non-GAAP Measures are used as financial measures to assess the performance of the business, the use of these measures is limited because these measures do not consider material costs, expenses, and other items necessary to operate our business. These items include debt service costs, expenses related to U.S. federal, state, local and foreign income taxes, impairment recoveries, and the effects of accounting changes and discontinued operations. Since the Non-GAAP Measures do not consider the above items, a user of our financial information should consider net income attributable to Viad as an important measure of financial performance because it provides a more complete measure of our performance.

Forward-Looking Non-GAAP Financial Measure

We also provide segment operating income as a forward-looking Non-GAAP Measure within the “Results of Operations” section of this MD&A. We do not provide a reconciliation of this forward-looking Non-GAAP Measure to the most directly comparable GAAP financial measure because, due to variability and difficulty in making accurate forecasts and projections and/or certain information not being ascertainable or accessible, not all of the information necessary for a quantitative reconciliation of this forward-looking Non-GAAP Measure to the most directly comparable GAAP financial measure is available without unreasonable efforts. Consequently, any attempt to disclose such reconciliation would imply a degree of precision that investors could find confusing or misleading. It is probable that this forward-looking Non-GAAP Measure may be materially different from the corresponding GAAP Measure.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our market risk exposure relates to fluctuations in foreign exchange rates and interest rates. Foreign exchange risk is the risk that fluctuating exchange rates will adversely affect our financial condition or results of operations. Interest rate risk is the risk that changing interest rates will adversely affect our earnings or financial position.

Our foreign operations are primarily in Canada, the United Kingdom, the Netherlands, Germany, and to a lesser extent, in certain other countries. The functional currency of our foreign subsidiaries is their local currency. Accordingly, for purposes of consolidation, we translate the assets and liabilities of our foreign subsidiaries into U.S. dollars at the foreign exchange rates in effect at the balance sheet date. The unrealized gains or losses resulting from the translation of these foreign denominated assets and liabilities are included as a component of accumulated other comprehensive income (loss) in the Condensed Consolidated Balance Sheets. As a result, significant fluctuations in foreign exchange rates relative to the U.S. dollar may result in material changes to our net equity position reported in the Condensed Consolidated Balance Sheets. We do not currently hedge our equity risk arising from the translation of foreign denominated assets and liabilities. We recorded cumulative unrealized foreign currency translation losses in stockholders' equity of $19.9 million as of September 30, 2018 and $12.0 million as of December 31, 2017. We recorded unrealized foreign currency translation losses in other comprehensive income of $7.9 million during the nine months ended September 30, 2018 and unrealized foreign currency translation gains of $18.8 million during the nine months ended September 30, 2017, in each case, net of tax.

For purposes of consolidation, revenue, expenses, gains, and losses related to our foreign operations are translated into U.S. dollars at the average foreign exchange rates for the period. As a result, our consolidated results of operations are exposed to fluctuations in foreign exchange rates as revenue and segment operating income of our foreign operations, when translated, may vary from period to period, even when the functional currency amounts have not changed. Such fluctuations may adversely impact overall expected profitability and historical period-to-period comparisons. We do not currently hedge our earnings exposure arising from the translation of our foreign revenue and segment operating income. Refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" for a discussion on the "Foreign Exchange Rate Variances."

We are exposed to foreign exchange transaction risk, as our foreign subsidiaries have certain revenue transactions denominated in currencies other than the functional currency of the respective subsidiary. From time to time, we utilize forward contracts to mitigate the impact on earnings related to these transactions due to fluctuations in foreign exchange rates. As of September 30, 2018 and December 31, 2017, we did not have any foreign currency forward contracts outstanding.

We are exposed to short-term and long-term interest rate risk on certain of our debt obligations. We do not currently use derivative financial instruments to hedge cash flows for such obligations.

Item 4. Controls and Procedures

We have established disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and such information is accumulated and communicated to our management, including our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), as appropriate to allow timely decisions regarding required disclosure. Management, together with our CEO and CFO, evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2018. Based on this evaluation, the CEO and CFO concluded that our disclosure controls and procedures were effective as of September 30, 2018.

There were no changes in our internal control over financial reporting during the three months ended September 30, 2018 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

Refer to Note 19 – Litigation, Claims, Contingencies, and Other of the Notes to Condensed Consolidated Financial Statements (Part I, Item 1 of this Form 10-Q) for information regarding our legal proceedings that is incorporated by reference herein.

Item 1A. Risk Factors

In addition to other information set forth in this report, careful consideration should be given to the factors discussed in Part I, Item 1A – Risk Factors and Part II, Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations of our 2017 Form 10-K, which could materially affect our business, financial condition and/or future results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table summarizes the total number of shares of our common stock that were repurchased during the three months ended September 30, 2018 pursuant to publicly announced plans or programs, as well as certain previously owned shares of common stock that were surrendered by employees, former employees, and non-employee directors for tax withholding requirements on vested share-based awards.

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs
July 1, 2018 - July 31, 2018	—	$ —	—	265,449
August 1, 2018 - August 31, 2018	397	$ 59.35	—	265,449
September 1, 2018 - September 30, 2018	2,133	$ 61.45	—	265,449
Total	2,530	$ 61.12	—	265,449

In November 2012, our Board of Directors authorized us to repurchase shares of our common stock from time to time at prevailing market prices. During the nine months ended September 30, 2018, 175,091 shares were repurchased on the open market for $9.1 million. The Board's authorization has no expiration date.

Effective October 24, 2018, we entered into the 2018 Credit Agreement that provides for the $450 million 2018 Credit Facility. The terms of the 2018 Credit Facility allow us to make dividends or repurchases of our common stock up to $20 million per calendar year. Stock dividends and repurchases above the $20 million are permitted as long as our pro forma leverage ratio is less than or equal to 2.75 to 1.00. Dividends are permitted up to an additional $15 million in any calendar year. For additional information on the 2018 Credit Facility, refer to Note 12 – Debt and Capital Lease Obligations and Note 23 – Subsequent Events of the Notes to Consolidated Financial Statements.

Item 6. Exhibits

Exhibit Number		Exhibit Description	Incorporated by Reference Form	Period Ending	Exhibit	Filing Date
4.1		$450,000,000 Second Amended and Restated Credit Agreement, dated as of October 24, 2018, by and among Viad Corp, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto.	8-K		4.1	10/25/2018
31.1	*	Certification of Chief Executive Officer of Viad Corp pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, for the period ended September 30, 2018.				
31.2	*	Certification of Chief Financial Officer of Viad Corp pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, for the period ended September 30, 2018.				
32.1	**	Certifications of Chief Executive Officer and Chief Financial Officer of Viad Corp pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, for the period ended September 30, 2018.				
101.INS	*	XBRL Instance Document.				
101.SCH	*	XBRL Taxonomy Extension Schema Document.				
101.CAL	*	XBRL Taxonomy Extension Calculation Linkbase Document.				
101.DEF	*	XBRL Taxonomy Extension Definition Linkbase Document.				
101.LAB	*	XBRL Taxonomy Extension Label Linkbase Document.				
101.PRE	*	XBRL Taxonomy Extension Presentation Linkbase Document.				

*Filed herewith.
**Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	VIAD CORP (Registrant)	
November 2, 2018 (Date)	By:	/s/ Leslie S. Striedel Leslie S. Striedel Chief Accounting Officer (Duly Authorized Officer)

46