

NABORS INDUSTRIES LTD
Form 10-Q
May 04, 2015
[Table of Contents](#)

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, 2015

Commission File Number: 001-32657

NABORS INDUSTRIES LTD.

(Exact name of registrant as specified in its charter)

Bermuda
(State or other jurisdiction of incorporation or organization)

98-0363970
(I.R.S. Employer Identification No.)

Crown House
Second Floor
4 Par-la-Ville Road
Hamilton, HM08

Edgar Filing: NABORS INDUSTRIES LTD - Form 10-Q

Bermuda

(441) 292-1510

(Address of principal executive office)

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 (Section 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, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

Accelerated Filer

Non-accelerated Filer

Smaller Reporting Company

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 common shares, par value \$.001 per share, outstanding as of April 28, 2015 was 330,357,704.

Table of Contents

NABORS INDUSTRIES LTD. AND SUBSIDIARIES

Index

PART I FINANCIAL INFORMATION

Item 1.	Financial Statements	
	<u>Consolidated Balance Sheets as of March 31, 2015 and December 31, 2014 (Unaudited)</u>	3
	<u>Consolidated Statements of Income (Loss) for the Three Months Ended March 31, 2015 and 2014 (Unaudited)</u>	4
	<u>Consolidated Statements of Comprehensive Income (Loss) for the Three Months Ended March 31, 2015 and 2014 (Unaudited)</u>	5
	<u>Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2015 and 2014 (Unaudited)</u>	6
	<u>Consolidated Statements of Changes in Equity for the Three Months Ended March 31, 2015 and 2014 (Unaudited)</u>	7
	<u>Notes to Consolidated Financial Statements</u>	8
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	35
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	47
<u>Item 4.</u>	<u>Controls and Procedures</u>	47

PART II OTHER INFORMATION

<u>Item 1.</u>	<u>Legal Proceedings</u>	49
<u>Item 1A.</u>	<u>Risk Factors</u>	49
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	49
<u>Item 3.</u>	<u>Defaults Upon Senior Securities</u>	49
<u>Item 4.</u>	<u>Mine Safety Disclosures</u>	49
<u>Item 5.</u>	<u>Other Information</u>	49
<u>Item 6.</u>	<u>Exhibits</u>	50
<u>Signatures</u>		51
Exhibit Index		

Table of Contents

NABORS INDUSTRIES LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Unaudited)

(In thousands, except per share amounts)	March 31, 2015	December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 586,001	\$ 501,149
Short-term investments	35,170	35,020
Assets held for sale	134,709	146,467
Accounts receivable, net	971,601	1,517,503
Inventory	190,423	230,067
Deferred income taxes	91,050	118,230
Other current assets	161,378	193,438
Total current assets	2,170,332	2,741,874
Long-term investments and other receivables	2,627	2,806
Property, plant and equipment, net	7,333,808	8,599,125
Goodwill	80,947	173,928
Investment in unconsolidated affiliates	730,487	58,251
Other long-term assets	286,397	303,958
Total assets	\$ 10,604,598	\$ 11,879,942
LIABILITIES AND EQUITY		
Current liabilities:		
Current portion of debt	\$ 8,739	\$ 6,190
Trade accounts payable	403,038	780,060
Accrued liabilities	669,812	728,004
Income taxes payable	75,007	53,221
Total current liabilities	1,156,596	1,567,475
Long-term debt	3,816,717	4,348,859
Other long-term liabilities	604,526	601,816
Deferred income taxes	58,997	443,003
Total liabilities	5,636,836	6,961,153
Commitments and contingencies (Note 10)		
Equity:		
Shareholders' equity:		
Common shares, par value \$0.001 per share:		
Authorized common shares 800,000; issued 329,557 and 328,196, respectively	330	328
Capital in excess of par value	2,459,043	2,452,261
Accumulated other comprehensive income	14,768	77,522
Retained earnings	3,679,336	3,573,172
Less: treasury shares, at cost, 38,788 common shares	(1,194,664)	(1,194,664)
Total shareholders' equity	4,958,813	4,908,619
Noncontrolling interest	8,949	10,170
Total equity	4,967,762	4,918,789
Total liabilities and equity	\$ 10,604,598	\$ 11,879,942

Edgar Filing: NABORS INDUSTRIES LTD - Form 10-Q

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

Table of Contents

NABORS INDUSTRIES LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(Unaudited)

(In thousands, except per share amounts)	Three Months Ended March 31,	
	2015	2014
Revenues and other income:		
Operating revenues	\$ 1,414,707	\$ 1,589,618
Earnings (losses) from unconsolidated affiliates	6,502	(2,445)
Investment income (loss)	969	