

HORNBECK OFFSHORE SERVICES INC /LA
Form 10-Q
August 08, 2014
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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, 2014

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 001-32108

Hornbeck Offshore Services, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)
103 NORTHPARK BOULEVARD, SUITE 300
COVINGTON, LA 70433
(Address of Principal Executive Offices) (Zip Code)
(985) 727-2000
(Registrant's Telephone Number, Including Area Code)

72-1375844
(I.R.S. Employer
Identification Number)

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, 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 Non-accelerated filer

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 total number of shares of common stock, par value \$.01 per share, outstanding as of July 31, 2014 was 36,316,312.

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PART 1—FINANCIAL INFORMATION

Item 1—Financial Statements

HORNBECK OFFSHORE SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In thousands, except per share data)

	June 30, 2014 (Unaudited)	December 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$264,269	\$439,291
Accounts receivable, net of allowance for doubtful accounts of \$3,554 and \$3,411, respectively	127,896	93,512
Deferred tax assets, net	79,148	72,470
Prepaid and other current assets	19,224	13,779
Current assets from discontinued operations	732	1,578
Total current assets	491,269	620,630
Property, plant and equipment, net	2,332,463	2,125,374
Deferred charges, net	79,980	74,075
Other assets	14,846	13,442
Long-term assets from discontinued operations	137	759
Total assets	\$2,918,695	\$2,834,280
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$64,495	\$52,930
Accrued interest	14,886	14,890
Accrued payroll and benefits	11,325	13,451
Deferred revenue	1,778	8,786
Other accrued liabilities	13,102	11,497
Current liabilities from discontinued operations	7	117
Total current liabilities	105,593	101,671
Long-term debt, net of original issue discount of \$56,284 and \$60,908, respectively	1,068,716	1,064,092
Deferred tax liabilities, net	399,715	368,416
Other liabilities	1,857	4,367
Long-term liabilities of discontinued operations	217	306
Total liabilities	1,576,098	1,538,852
Stockholders' equity:		
Preferred stock: \$0.01 par value; 5,000 shares authorized; no shares issued and outstanding	—	—
Common stock: \$0.01 par value; 100,000 shares authorized; 36,312 and 36,095 shares issued and outstanding, respectively	363	361
Additional paid-in-capital	728,322	724,379
Retained earnings	614,482	571,483
Accumulated other comprehensive loss	(570)	(795)
Total stockholders' equity	1,342,597	1,295,428
Total liabilities and stockholders' equity	\$2,918,695	\$2,834,280

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

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CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2014	2013	2014	2013
	(Unaudited)		(Unaudited)	
Revenues	\$171,099	\$137,811	\$307,684	\$270,337
Costs and expenses:				
Operating expenses	71,405	58,701	139,986	114,995
Depreciation	17,612	13,448	33,797	26,644
Amortization	9,931	7,460	23,106	13,683
General and administrative expenses	15,487	13,323	29,172	26,319
	114,435	92,932	226,061	181,641
Gain on sale of assets	92	1,569	161	1,569
Operating income	56,756	46,448	81,784	90,265
Other income (expense):				
Loss on early extinguishment of debt	—	(1,457)	—	(25,776)
Interest income	283	668	647	1,245
Interest expense	(7,016)	(13,242)	(14,248)	(26,964)
Other income (expense), net	40	93	(37)	(16)
	(6,693)	(13,938)	(13,638)	