

SUPERIOR ENERGY SERVICES INC
Form 10-Q
April 29, 2016

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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 March 31, 2016

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 No. 001-34037

SUPERIOR ENERGY SERVICES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

75-2379388
(I.R.S. Employer
Identification No.)

1001 Louisiana Street, Suite 2900
Houston, TX
(Address of principal executive offices)

77002
(Zip Code)

Registrant's telephone number, including area code: (713) 654-2200

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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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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	(do not check if smaller reporting company)	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 shares of the registrant’s common stock outstanding on April 25, 2016 was 151,412,233.

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SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES

Quarterly Report on Form 10-Q for

the Quarterly Period Ended March 31, 2016

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2016 and December 31, 2015

(in thousands, except share data)

(unaudited)

	3/31/2016	12/31/2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 559,238	\$ 564,017
Accounts receivable, net of allowance for doubtful accounts of \$32,055 and \$28,242 at March 31, 2016 and December 31, 2015, respectively	356,842	428,514
Prepaid expenses	49,291	42,298
Inventory and other current assets	154,503	165,062
Assets held for sale	66,713	95,234
Total current assets	1,186,587	1,295,125
Property, plant and equipment, net of accumulated depreciation and depletion of \$2,343,681 and \$2,278,856 at March 31, 2016 and December 31, 2015, respectively	2,065,528	2,123,291
Goodwill	1,139,625	1,140,101
Notes receivable	53,325	52,382
Intangible and other long-term assets, net of accumulated amortization of \$87,429 and \$83,520 at March 31, 2016 and December 31, 2015, respectively	301,033	303,345
Total assets	\$ 4,746,098	\$ 4,914,244
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 95,912	\$ 114,475
Accrued expenses	275,381	271,246
Income taxes payable	17,856	9,185
Current maturities of long-term debt	6,028	29,957
Current portion of decommissioning liabilities	22,625	19,052
Liabilities held for sale	3,495	4,661
Total current liabilities	421,297	448,576

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Deferred income taxes	332,694	383,069
Decommissioning liabilities	97,011	98,890
Long-term debt, net	1,608,575	1,588,263
Other long-term liabilities	179,499	184,634
Stockholders' equity:		
Preferred stock of \$0.01 par value. Authorized - 5,000,000 shares; none issued	-	-
Common stock of \$0.001 par value		
Authorized-250,000,000, Issued and Outstanding-151,412,233 at March 31, 2016		
Authorized-250,000,000, Issued and Outstanding-150,861,500 at December 31, 2015	151	151
Additional paid in capital	2,664,761	2,664,517
Accumulated other comprehensive loss, net	(50,449)	(45,694)
Retained deficit	(507,441)	(408,162)
Total stockholders' equity	2,107,022	2,210,812
Total liabilities and stockholders' equity	\$ 4,746,098	\$ 4,914,244

See accompanying notes to condensed consolidated financial statements.

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SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES

Consolidated Statements of Operations

Three Months Ended March 31, 2016 and 2015

(in thousands, except per share data)

(unaudited)

	2016	2015
Revenues:		
Services	\$ 313,928	\$ 685,465
Rentals	99,205	231,770
Total revenues	413,133	917,235
Costs and expenses:		
Cost of services (exclusive of items shown separately below)	252,543	481,993
Cost of rentals (exclusive of items shown separately below)	32,796	100,253
Depreciation, depletion, amortization and accretion	136,672	162,220
General and administrative expenses	103,155	150,962
Income (loss) from operations	(112,033)	21,807
Other income (expense):		
Interest expense, net	(23,806)	(23,209)
Other income (expense):	7,755	(971)
Loss from continuing operations before income taxes	(128,084)	(2,373)
Income taxes	(43,548)	(878)
Net loss from continuing operations	(84,536)	(1,495)
Loss from discontinued operations, net of income tax	(2,267)	(9,640)
Net loss	\$ (86,803)	\$ (11,135)
Loss per share information:		
Basic and diluted:		
Continuing operations	\$ (0.56)	\$ (0.01)
Discontinued operations	(0.01)	(0.06)
Basic and diluted loss per share	\$ (0.57)	\$ (0.07)
Cash dividends declared per share	\$ 0.08	\$ 0.08
Weighted average common shares used in computing loss per share:		
Basic and diluted	151,324	149,881

SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Loss
Three Months Ended March 31, 2016 and 2015
(in thousands)
(unaudited)

	2016	2015
Net loss	\$ (86,803)	\$ (11,135)
Change in cumulative translation adjustment, net of tax	(4,755)	(14,679)
Comprehensive loss	\$ (91,558)	\$ (25,814)

See accompanying notes to condensed consolidated financial statements.

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