

Edgar Filing: Clear Channel Outdoor Holdings, Inc. - Form 10-Q

Clear Channel Outdoor Holdings, Inc.
Form 10-Q
August 03, 2017

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 JUNE 30, 2017

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 32663

CLEAR CHANNEL OUTDOOR HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware 86-0812139
(State or other jurisdiction of (I.R.S. Employer Identification No.)
incorporation or organization)

200 East Basse Road, Suite 100 78209
San Antonio, Texas
(Address of principal executive offices) (Zip Code)

(210) 832-3700
(Registrant's telephone number, including area code)

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

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
Emerging growth company

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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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at July 31, 2017
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Class A Common Stock, \$.01 par value	47,531,474
Class B Common Stock, \$.01 par value	315,000,000

CLEAR CHANNEL OUTDOOR HOLDINGS, INC.

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS

CLEAR CHANNEL OUTDOOR HOLDINGS, INC. AND SUBSIDIARIES

(In thousands, except share data)	June 30, 2017 (Unaudited)	December 31, 2016
CURRENT ASSETS		
Cash and cash equivalents	\$ 163,066	\$ 541,995
Accounts receivable, net of allowance of \$24,411 in 2017 and \$22,398 in 2016	633,683	593,070
Prepaid expenses	127,987	111,569
Assets held for sale	—	55,602
Other current assets	39,486	39,199
Total Current Assets	964,222	1,341,435
PROPERTY, PLANT AND EQUIPMENT		
Structures, net	1,177,816	1,196,676
Other property, plant and equipment, net	232,471	216,157
INTANGIBLE ASSETS AND GOODWILL		
Indefinite-lived intangibles	986,273	960,966
Other intangibles, net	292,063	299,617
Goodwill	710,614	696,263
OTHER ASSETS		
Due from iHeartCommunications	928,809	885,701
Other assets	124,334	122,013
Total Assets	\$ 5,416,602	\$ 5,718,828
CURRENT LIABILITIES		
Accounts payable	\$ 74,172	\$ 86,870
Accrued expenses	450,757	480,872
Deferred income	101,904	67,005
Current portion of long-term debt	9,468	6,971
Total Current Liabilities	636,301	641,718
Long-term debt	5,109,653	5,110,020
Deferred tax liability	610,238	638,705
Other long-term liabilities	276,911	259,311
Commitments and Contingent liabilities (Note 4)		
STOCKHOLDERS' DEFICIT		
Noncontrolling interest	151,318	149,886
Preferred stock, \$.01 par value, 150,000,000 shares authorized, no shares issued and outstanding	—	—
Class A common stock, par value \$.01 per share, authorized 750,000,000 shares, issued 48,379,541 and 47,947,123 shares in 2017 and 2016, respectively	484	479
Class B common stock, \$.01 par value, 600,000,000 shares authorized, 315,000,000 shares issued and outstanding	3,150	3,150
Additional paid-in capital	3,153,966	3,432,121
Accumulated deficit	(4,159,576)	(4,125,798)
Accumulated other comprehensive loss	(360,532)	(386,658)

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Cost of shares (851,030 in 2017 and 633,851 in 2016) held in treasury	(5,311)	(4,106)
Total Stockholders' Deficit	(1,216,501)	(930,926)
Total Liabilities and Stockholders' Deficit	\$5,416,602	\$ 5,718,828

See Notes to Consolidated Financial Statements

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
 CLEAR CHANNEL OUTDOOR HOLDINGS, INC. AND SUBSIDIARIES
 (UNAUDITED)

(In thousands, except per share data)	Three Months Ended		Six Months Ended	
	June 30, 2017	2016	June 30, 2017	2016
Revenue	\$672,319	\$708,086	\$1,217,045	\$1,297,100
Operating expenses:				
Direct operating expenses (excludes depreciation and amortization)	350,173	362,001	678,104	703,988
Selling, general and administrative expenses (excludes depreciation and amortization)	125,898	135,567	241,672	262,368
Corporate expenses (excludes depreciation and amortization)	35,340	29,673	69,880	57,897
Depreciation and amortization	78,290	86,974	155,784	172,369
Other operating income (expense), net	7,829	(59,384)	40,440	225,390
Operating income	90,447	34,487	112,045	325,868
Interest expense	94,630	94,650	187,263	188,523
Interest income on Due from iHeartCommunications	15,383	11,291	30,190	24,004
Equity in earnings (loss) of nonconsolidated affiliates	271	(232)	(201)	(647)
Other income (expense), net	8,773	(33,871)	12,640	(39,674)
Income (loss) before income taxes	20,244	(82,975)	(32,589)	121,028
Income tax benefit (expense)	(18,390)	21,719		