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Clear Channel Outdoor Holdings, Inc.
Form 10-Q
November 09, 2016

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 SEPTEMBER 30, 2016

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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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 November 7, 2016
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Class A Common Stock, \$.01 par value	47,326,266
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)	September 30, 2016 (Unaudited)	December 31, 2015
CURRENT ASSETS		
Cash and cash equivalents	\$ 394,324	\$ 412,743
Accounts receivable, net of allowance of \$25,184 in 2016 and \$25,348 in 2015	627,855	697,583
Prepaid expenses	136,523	127,730
Assets held for sale	55,184	295,075
Other current assets	68,945	34,566
Total Current Assets	1,282,831	1,567,697
PROPERTY, PLANT AND EQUIPMENT		
Structures, net	1,254,395	1,391,880
Other property, plant and equipment, net	238,929	236,106
INTANGIBLE ASSETS AND GOODWILL		
Indefinite-lived intangibles	961,194	971,327
Other intangibles, net	311,819	342,864
Goodwill	738,638	758,575
OTHER ASSETS		
Due from iHeartCommunications	769,465	930,799
Other assets	118,325	107,540
Total Assets	\$ 5,675,596	\$ 6,306,788
CURRENT LIABILITIES		
Accounts payable	\$ 71,131	\$ 100,210
Accrued expenses	485,802	507,665
Dividends payable	—	217,017
Deferred income	100,167	91,411
Current portion of long-term debt	9,662	4,310
Total Current Liabilities	666,762	920,613
Long-term debt	5,108,271	5,106,513
Deferred tax liability	638,037	608,910
Other long-term liabilities	257,549	240,419
Commitments and Contingent liabilities (Note 4)		
SHAREHOLDERS' DEFICIT		
Noncontrolling interest	183,206	187,775
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 47,912,625 and 46,661,114 shares in 2016 and 2015, respectively	479	467
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	3,429,456	3,961,515
Accumulated deficit	(4,228,707)	(4,268,637)

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Accumulated other comprehensive loss	(378,628)	(451,833)
Cost of shares (611,127 in 2016 and 233,868 in 2015) held in treasury	(3,979)	(2,104)
Total Shareholders' Deficit	(995,023)	(569,667)
Total Liabilities and Shareholders' Deficit	\$ 5,675,596		\$ 6,306,788	

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		Nine Months Ended	
	September 30,		September 30,	
	2016	2015	2016	2015
Revenue	\$673,057	\$696,277	\$1,975,924	\$2,034,139
Operating expenses:				
Direct operating expenses (excludes depreciation and amortization)	366,086	372,716	1,075,841	1,108,029
Selling, general and administrative expenses (excludes depreciation and amortization)	126,164	132,559	388,532	392,211
Corporate expenses (excludes depreciation and amortization)	28,058	28,347	85,949	87,254
Depreciation and amortization	85,780	93,040	258,149	280,539
Impairment charges	7,274	21,631	7,274	21,631
Other operating income, net	1,095	5,029	226,485	244
Operating income	60,790	53,013	386,664	144,719
Interest expense	93,313	88,088	281,836	266,060
Interest income on Due from iHeartCommunications	12,429	15,630	36,433	45,932
Equity in loss of nonconsolidated affiliates	(727)	(812)	(1,374)	(641)
Other income (expense), net	(6,524)	(17,742)	(46,198)	17,472
Income (loss) before income taxes	(27,345)	(37,999)		