

OMNI ENERGY SERVICES CORP
Form 10-Q
August 10, 2006
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 June 30, 2006

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period _____ to _____

COMMISSION FILE NUMBER 0-23383

OMNI ENERGY SERVICES CORP.

(Exact name of registrant as specified in its charter)

LOUISIANA
(State or other jurisdiction of

incorporation or organization)

4500 N.E. EVANGELINE THRUWAY

CARENCRO, LOUISIANA
(Address of principal executive offices)

Registrant's telephone number, including area code: (337) 896-6664

72-1395273
(I.R.S. Employer

Identification No.)

70520
(Zip Code)

Edgar Filing: OMNI ENERGY SERVICES CORP - Form 10-Q

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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act.

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

As of August 8, 2006 there were 16,556,027 shares of the Registrant's common stock, \$0.01 par value per share, outstanding.

Table of Contents

OMNI ENERGY SERVICES CORP

FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2006

INDEX

	PAGE
<u>PART I. FINANCIAL INFORMATION</u>	
Item 1. <u>Consolidated Balance Sheets - As of June 30, 2006 (Unaudited) and December 31, 2005</u>	3
<u>Consolidated Statements of Operations (Unaudited) - For the three-month and six-month periods ended June 30, 2006 and 2005</u>	4
<u>Consolidated Statements of Stockholders' Equity (Unaudited) - For the six-month periods ended June 30, 2006</u>	5
<u>Consolidated Statements of Cash Flows (Unaudited) - For the six-month periods ended June 30, 2006 and 2005</u>	6
<u>Notes to Consolidated Financial Statements</u>	7
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	21
Item 3. <u>Quantitative and Qualitative Disclosure About Market Risk</u>	29
Item 4. <u>Controls and Procedures</u>	29
<u>PART II. OTHER INFORMATION</u>	
Item 1. <u>Legal Proceedings</u>	30
Item 1A. <u>Risk Factors</u>	30
Item 2. <u>Unregistered Sale of Securities and Use of Proceeds</u>	30
Item 3. <u>Defaults Upon Senior Securities</u>	30
Item 4. <u>Submission of Matters to a Vote of Security Holders</u>	30
Item 6. <u>Exhibits</u>	31
<u>SIGNATURES</u>	32

Table of Contents**PART I FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****OMNI ENERGY SERVICES CORP.****CONSOLIDATED BALANCE SHEETS**

	December 31, 2005 (Dollars in thousands)	June 30, 2006 (unaudited)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 174	\$ 15,412
Restricted cash		1,114
Trade receivables, net	8,094	15,461
Other receivables	1,882	429
Parts and supplies inventory	1,787	4,008
Prepaid expenses and other current assets	2,458	1,608
Deferred tax asset	2,000	3,000
Current assets of discontinued operations	295	183
Assets held for sale	108	108
Total current assets	16,798	41,323
PROPERTY, PLANT AND EQUIPMENT, net	14,922	28,879
OTHER ASSETS:		
Goodwill	2,924	3,241
Customer intangible assets, net	1,520	1,470
Licenses, permits and other intangible assets, net	3,934	3,755
Loan closing costs, net	3,197	3,342
Other assets	463	750
	12,038	12,558
TOTAL ASSETS	\$ 43,758	\$ 82,760
LIABILITIES AND STOCKHOLDERS EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 5,374	\$ 9,176
Accrued expenses	1,382	3,467
Current maturities of long-term debt	2,926	4,717
Insurance notes payable	1,692	80
Line of credit	4,750	12,886
Current liabilities of discontinued operations	698	461
Total current liabilities	16,822	30,787
LONG-TERM LIABILITIES:		
Long-term debt, less current maturities	15,798	28,553

Edgar Filing: OMNI ENERGY SERVICES CORP - Form 10-Q

Other long-term liabilities	3	
Total long-term liabilities	15,801	28,553
Total liabilities	32,623	59,340

COMMITMENTS AND CONTINGENCIES

STOCKHOLDERS EQUITY:

Convertible preferred stock, no par value, 5,000,000 shares authorized; 29 shares of Series B issued and outstanding at December 31, 2005 and June 30, 2006 and 5,128 and 5,363 shares of Series C issued and outstanding at December 31, 2005 and June 30, 2006, respectively, liquidation preference of \$1,000 per share	806	1,041
Common stock, \$.01 par value, 45,000,000 shares authorized; 15,272,121 and 16,300,524 issued and 15,136,448 and 16,300,524 outstanding at December 31, 2005 and June 30, 2006, respectively	153	163
Treasury stock, 135,673 and 0 shares, at cost, at December 31, 2005 and June 30, 2006, respectively	(264)	
Preferred stock dividends declared	123	125
Additional paid-in capital	75,787	79,520
Accumulated deficit	(65,470)	(57,429)
Total stockholders equity	11,135	23,420
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$ 43,758	\$ 82,760

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

Table of Contents**OMNI ENERGY SERVICES CORP.****CONSOLIDATED STATEMENTS OF OPERATIONS****(unaudited)**

	Three Months Ended		Six Months Ended	
	June 30, 2005	June 30, 2006	June 30, 2005	June 30, 2006
	(in thousands, except per share amounts)			
Operating revenue	\$ 9,463	\$ 27,684	\$ 22,578	\$ 46,139
Operating expenses:				
Direct costs	6,145	16,711	14,284	28,155
Depreciation and amortization	1,134	1,472	2,487	2,759
General and administrative expenses	1,918	3,193	4,009	5,583
Total operating expenses	9,197	21,376	20,780	36,497
Operating income	266	6,308	1,798	9,642
Interest expense	(630)	(1,211)	(1,278)	(2,327)
Gain on debt extinguishment	484		484	
Other income (expense), net	(15)	92	29	176
Income before income taxes	105	5,189	1,033	7,491
Income tax benefit		1,000		1,000
Income from continuing operations	105	6,189	1,033	8,491
Loss from discontinued operations, aviation transportation services segment, net of taxes	(2,136)		(2,862)	
Loss on disposal of discontinued operation assets, net of taxes	(2,271)		(2,271)	
Net income (loss)	(4,302)	6,189	(4,100)	8,491
Dividends and accretion of preferred stock	(55)	(121)	(55)	(237)
Non-cash charge attributable to beneficial conversion feature of preferred stock	(649)	(117)	(649)	(213)
Net income (loss) available to common stockholders	\$ (5,006)	\$ 5,951	\$ (4,804)	\$ 8,041
Basic income per share:				
Income (loss) from continuing operations	\$ (0.05)	\$ 0.37	\$ 0.03	\$ 0.51
Loss from discontinued operations	(0.17)		(0.24)	
Loss on disposal of discontinued operations assets	(0.18)		(0.19)	
Net income (loss) available to common stockholders	\$ (0.40)	\$ 0.37	\$ (0.40)	\$ 0.51
Diluted income per share:				
Income (loss) from continuing operations	\$ (0.05)	\$ 0.26	\$ 0.03	\$ 0.37
Loss from discontinued operations	(0.17)		(0.24)	
Loss on disposal of discontinued operations assets	(0.18)		(0.19)	
Net income (loss) available to common stockholders	\$ (0.40)	\$ 0.26	\$ (0.40)	\$ 0.37
Weighted average common shares outstanding:				
Basic	12,514	16,105	11,964	15,814

Edgar Filing: OMNI ENERGY SERVICES CORP - Form 10-Q

Diluted

12,514

24,031

11,996

23,115

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

Table of Contents

OMNI ENERGY SERVICES CORP.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2006
(unaudited)
(in thousands, except share amounts)

	Preferred Stock		Common Stock		Treasury Stock
	Shares	Amount	Shares	Amount	Amount
BALANCE, December 31, 2005	5,157	\$ 806	15,272,121	\$ 153	\$ (264)
Issuance of preferred stock and warrants, net of offering costs					
Stock based compensation					
Issuance of treasury shares for stock based compensation					264
Stock options and warrants exercised			128,403	1	
Common stock issued in acquisition			900,000	9	
Preferred stock dividends paid	235	235			