

OMNI ENERGY SERVICES CORP

Form 10-Q

August 08, 2008

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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, 2008

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)

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LOUISIANA
(State or other jurisdiction of
incorporation or organization)

72-1395273
(I.R.S. Employer
Identification No.)

4500 N.E. EVANGELINE THRUWAY

CARENCRO, LOUISIANA
(Address of principal executive offices)

70520
(Zip Code)

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

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, a non-accelerated filer or a smaller reporting company. See definition 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

As of August 6, 2008, there were 19,594,994 shares of the Registrant's common stock, \$0.01 par value per share, outstanding.

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FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2008

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

	December 31, 2007	June 30, 2008
	(Dollars in thousands)	
	(unaudited)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 13,431	\$ 1,920
Restricted cash	1,114	1,130
Trade receivables, net	26,566	29,656
Other receivables	627	601
Due from related party	262	262
Parts and supplies inventory	5,950	8,050
Prepaid expenses and other current assets	7,587	4,178
Deferred tax assets	5,818	4,339
Total current assets	61,355	50,136
PROPERTY, PLANT AND EQUIPMENT, net	61,037	82,716
OTHER ASSETS:		
Goodwill	15,038	19,571
Customer intangible assets, net	13,780	14,465
Licenses, permits and other intangible assets, net	9,082	13,401
Loan closing costs, net	4,359	5,662
Other assets	343	444
	42,602	53,543
TOTAL ASSETS	\$ 164,994	\$ 186,395
LIABILITIES AND STOCKHOLDERS EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 15,706	\$ 13,930
Accrued expenses	4,645	9,376
Current maturities of long-term debt	14,456	18,695
Insurance notes payable	4,808	1,218
Line of credit	17,349	12,401
Total current liabilities	56,964	55,620
LONG-TERM LIABILITIES:		
Long-term debt, less current maturities	34,827	50,796
Other long-term liabilities	1,060	1,092
Deferred income taxes	11,984	15,857

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Total long-term liabilities	47,871	67,745
Total liabilities	104,835	123,365
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, 2007 and June 30, 2008 and 5,484 and 5,396 shares of Series C issued and outstanding at December 31, 2007 and June 30, 2008, respectively, liquidation preference of \$1,000 per share	1,162	1,074
Common stock, \$0.01 par value, 45,000,000 shares authorized; 18,727,615 and 19,639,328 issued and 18,682,615 and 19,594,328 outstanding at December 31, 2007 and June 30, 2008, respectively	187	196
Preferred stock dividends declared	3	3
Additional paid-in capital	93,997	95,853
Accumulated deficit	(35,190)	(34,096)
Total stockholders equity	60,159	63,030
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$ 164,994	\$ 186,395

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 June 30,		Six Months Ended June 30,	
	2007	2008	2007	2008
	(in thousands, except per share amounts)			
Operating revenue	\$ 48,121	\$ 48,920	\$ 87,010	\$ 89,881
Operating expenses:				
Direct costs	31,172	32,122	54,747	61,220
Depreciation and amortization	2,922	3,342	4,987	6,156
General and administrative expenses (includes litigation settlement of \$2,400 in the first quarter of 2008)	5,762	7,357	10,877	16,135
Total operating expenses	39,856	42,821	70,611	83,511
Operating income	8,265	6,099	16,399	6,370
Interest expense	(1,759)	(1,723)	(3,329)	(3,713)
Loss on debt extinguishment			(1,004)	
Other income (expense), net	54	44	65	(203)
Income before income tax expense	6,560	4,420	12,131	2,454
Provision for income tax expense	(2,543)	(1,678)	(4,687)	(1,116)
Net income	4,017	2,742	7,444	1,338
Dividends and accretion of preferred stock	(127)	(121)	(254)	(244)
Non-cash charge attributable to beneficial conversion feature of preferred stock	(127)		(255)	
Net income available to common stockholders	\$ 3,763	\$ 2,621	\$ 6,935	\$ 1,094
Basic income per share:				
Net income available to common stockholders	\$ 0.21	\$ 0.14	\$ 0.39	\$ 0.06
Diluted income per share:				
Net income available to common stockholders	\$ 0.15	\$ 0.10	\$ 0.29	\$ 0.05
Weighted average common shares outstanding:				
Basic	17,914	19,384	17,562	19,227
Diluted	26,412	27,544	25,802	22,521

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

Table of Contents**OMNI ENERGY SERVICES CORP.****CONSOLIDATED STATEMENT OF STOCKHOLDERS EQUITY****FOR THE SIX MONTHS ENDED JUNE 30, 2008****(unaudited)**

	Preferred Stock Shares	Preferred Stock Amount	Common Stock Shares	Common Stock Amount
	(in thousands, except share amounts)			
BALANCE, December 31, 2007	5,513	\$ 1,162	18,727,615	\$ 187
Stock based compensation				
Stock options and warrants exercised			4,598	
Restricted stock awards, net of forfeitures			462,500	5
Common stock issued in legal settlement			400,000	4
Preferred stock dividends declared				
Preferred stock conversion	(88)	(88)	44,615	
Net income				
BALANCE, June 30, 2008	5,425	\$ 1,074	19,639,328	\$ 196

	Preferred Stock Dividends Declared	Additional Paid-In Capital	Accumulated Deficit	Total
	(in thousands)			
BALANCE, December 31, 2007	\$ 3	\$ 93,997	\$ (35,190)	\$ 60,159
Stock based compensation		541		541
Stock options and warrants exercised		13		13
Restricted stock awards, net of forfeitures		1,218		1,223
Common stock issued		(4)		
Preferred stock dividends declared			(244)	(244)
Preferred stock conversion		88		
Net income				