

SBA COMMUNICATIONS CORP
Form 10-Q
November 07, 2007
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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 September 30, 2007

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 number 000-30110

SBA COMMUNICATIONS CORPORATION

(Exact name of registrant as specified in its charter)

Florida
(State or other jurisdiction of incorporation or organization)

65-0716501
(I.R.S. Employer Identification No.)

5900 Broken Sound Parkway NW
(Address of principal executive offices)

Boca Raton, Florida
(561) 995-7670

33487
(Zip code)

(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 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

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APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 105,535,347 shares of Class A common stock as of November 5, 2007.

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Table of Contents**PART I FINANCIAL INFORMATION****ITEM 1: FINANCIAL STATEMENTS****SBA COMMUNICATIONS CORPORATION AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS**

(in thousands, except par values)

	September 30, 2007 (unaudited)	December 31, 2006
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 43,361	\$ 46,148
Short-term investments	121,237	
Restricted cash	32,665	34,403
Accounts receivable, net of allowance of \$1,238 and \$1,316 in 2007 and 2006, respectively	24,199	20,781
Costs and estimated earnings in excess of billings on uncompleted contracts	18,493	19,403
Prepaid and other current assets	9,397	6,872
Total current assets	249,352	127,607
Property and equipment, net	1,159,703	1,105,942
Intangible assets, net	788,767	724,872
Deferred financing fees, net	35,348	33,221
Other assets	68,127	54,650
Total assets	\$ 2,301,297	\$ 2,046,292
LIABILITIES AND SHAREHOLDERS EQUITY		
Current liabilities:		
Accounts payable	\$ 8,381	\$ 9,746
Accrued expenses	17,981	17,600
Deferred revenue	29,798	24,665
Interest payable	3,827	4,056
Billings in excess of costs and estimated earnings on uncompleted contracts	1,102	1,055
Other current liabilities	1,854	1,232
Total current liabilities	62,943	58,354
Long-term liabilities:		
Long-term debt	1,905,000	1,555,000
Other long-term liabilities	58,311	47,017
Total long-term liabilities	1,963,311	1,602,017
Commitments and contingencies		
Shareholders' equity:		
Preferred stock - par value \$.01, 30,000 shares authorized, none issued or outstanding		
Common stock - Class A, par value \$.01, 200,000 shares authorized, 105,500 and 105,672 shares issued and outstanding at September 30, 2007 and December 31, 2006, respectively	1,055	1,057
Additional paid-in capital	1,480,506	1,450,754

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Accumulated deficit	(1,205,428)	(1,065,224)
Accumulated other comprehensive loss, net	(1,090)	(666)
Total shareholders' equity	275,043	385,921
Total liabilities and shareholders' equity	\$ 2,301,297	\$ 2,046,292

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

Table of Contents**SBA COMMUNICATIONS CORPORATION AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF OPERATIONS****(unaudited) (in thousands, except per share amounts)**

	For the three months ended September 30,		For the nine months ended September 30,	
	2007	2006	2007	2006
Revenues:				
Site leasing	\$ 81,038	\$ 74,412	\$ 237,100	\$ 181,755
Site development	22,163	23,760	62,198	72,597
Total revenues	103,201	98,172	299,298	254,352
Operating expenses:				
Cost of revenues (exclusive of depreciation, accretion and amortization shown below):				
Cost of site leasing	24,395	20,882	66,185	50,380
Cost of site development	19,257	21,272	54,183	66,213
Selling, general and administrative	11,289	11,044	33,691	31,467
Restructuring credits		(357)		(357)
Depreciation, accretion and amortization	42,949	39,015	124,892	93,195
Total operating expenses	97,890	91,856	278,951	240,898
Operating income	5,311	6,316	20,347	13,454
Other income (expense):				
Interest income	3,029	1,038	7,528	2,846
Interest expense	(23,164)	(27,085)	(69,336)	(55,783)
Non-cash interest expense				(6,845)
Amortization of deferred financing fees	(2,245)	(4,494)	(6,259)	(8,743)
Loss from write-off of deferred financing fees and extinguishment of debt		(34)	(431)	(53,872)
Other	77	112	(114)	324
Total other expense	(22,303)	(30,463)	(68,612)	(122,073)
Loss before provision for income taxes	(16,992)	(24,147)	(48,265)	(108,619)
Provision for income taxes	(542)	(194)	(735)	(564)
Net loss	\$ (17,534)	\$ (24,341)	\$ (49,000)	\$ (109,183)
Basic and diluted loss per common share amounts:				
Net loss per common share	\$ (0.17)	\$ (0.24)	\$ (0.47)	\$ (1.14)
Weighted average number of common shares	104,188	103,733	104,333	95,922

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

Table of Contents**SBA COMMUNICATIONS CORPORATION AND SUBSIDIARIES****CONSOLIDATED STATEMENT OF SHAREHOLDERS EQUITY****FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007****(unaudited) (in thousands)**

	Class A Common Stock			Accumulated		Total
	Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Other Comprehensive Loss	
BALANCE, December 31, 2006	105,672	\$ 1,057	\$ 1,450,754	\$ (1,065,224)	\$ (666)	\$ 385,921
Net loss				(49,000)		(49,000)
Amortization of deferred gain/loss from settlement of derivative financial instruments, net					(424)	(424)
Common stock issued in connection with acquisitions and earn-outs	2,084	21	66,820			66,841
Non-cash compensation			6,201			6,201
Common stock issued in connection with stock purchase/option plans	979	9	6,670			6,679
Purchase of convertible note hedges			(77,200)			(77,200)
Proceeds from issuance of common stock warrants			27,261			27,261
Repurchase and retirement of common stock	(3,235)	(32)		(91,204)		(91,236)
BALANCE, September 30, 2007	105,500	\$ 1,055	\$ 1,480,506	\$ (1,205,428)	\$ (1,090)	\$ 275,043

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

Table of Contents**SBA COMMUNICATIONS CORPORATION AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF CASH FLOWS****(unaudited) (in thousands)**

	For the nine months	
	ended September 30,	
	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (49,000)	\$ (109,183)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation, accretion and amortization	124,892	93,195
Deferred tax provision	101	
Asset impairment and other (credits) charges		(357)
Loss (gain) on sale of assets	222	