

SBA COMMUNICATIONS CORP
Form 10-Q
November 04, 2010
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2010

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 Boca Raton, Florida (Address of principal executive offices)	33487 (Zip code)
(561) 995-7670 (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 (§232.405 of this chapter) 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 (Do not check if a smaller reporting company) 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

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: 114,964,560 shares of Class A common stock outstanding as of October 28, 2010.

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(in thousands, except par values)

	September 30, 2010 (unaudited)	December 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 197,236	\$ 161,317
Restricted cash	30,118	30,285
Short-term investments	3,560	5,352
Accounts receivable, net of allowance of \$443 and \$350 at September 30, 2010 and December 31, 2009, respectively	19,007	19,644
Costs and estimated earnings in excess of billings on uncompleted contracts	15,231	10,392
Prepaid and other current assets	13,023	9,848
Total current assets	278,175	236,838
Property and equipment, net	1,498,165	1,496,938
Intangible assets, net	1,437,615	1,435,591
Deferred financing fees, net	47,231	37,902
Other assets	162,750	106,377
Total assets	\$ 3,423,936	\$ 3,313,646
LIABILITIES AND SHAREHOLDERS EQUITY		
Current liabilities:		
Current maturities of long-term debt	\$ 30,076	\$ 28,648
Accounts payable	15,170	9,219
Accrued expenses	24,366	28,110
Deferred revenue	57,373	54,013
Accrued interest	24,671	35,551
Other current liabilities	3,497	3,184
Total current liabilities	155,153	158,725
Long-term liabilities:		
Long-term debt	2,792,443	2,460,402
Other long-term liabilities	104,413	94,570
Total long-term liabilities	2,896,856	2,554,972

Commitments and contingencies

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Shareholders' equity:		
Preferred stock - par value \$.01, 30,000 shares authorized, none issued or outstanding		
Common stock - Class A, par value \$.01, 400,000 and 200,000 shares authorized, 114,926 and 117,082 shares issued and outstanding at September 30, 2010 and December 31, 2009, respectively		
	1,149	1,171
Additional paid-in capital	2,248,596	2,228,268
Accumulated deficit	(1,880,167)	(1,627,602)
Accumulated other comprehensive income (loss), net	1,735	(2,803)
SBA Communications Corporation shareholders' equity	371,313	599,034
Noncontrolling interests	614	915
Total shareholders' equity	371,927	599,949
Total liabilities and shareholders' equity	\$ 3,423,936	\$ 3,313,646

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,	
	2010	2009	2010	2009
Revenues:				
Site leasing	\$ 135,684	\$ 120,551	\$ 395,390	\$ 353,371
Site development	22,958	18,738	65,732	57,162
Total revenues	158,642	139,289	461,122	410,533
Operating expenses:				
Cost of revenues (exclusive of depreciation, accretion and amortization shown below):				
Cost of site leasing	30,326	28,645	89,513	83,727
Cost of site development	20,275	16,643	58,118	49,972
Selling, general and administrative	14,417	13,204	43,231	38,440
Acquisition related expenses	3,229	899	6,678	2,646
Depreciation, accretion and amortization	69,727	64,946	206,004	192,850
Total operating expenses	137,974	124,337	403,544	367,635
Operating income	20,668	14,952	57,578	42,898
Other income (expense):				
Interest income	112	334	369	917
Interest expense	(37,568)	(36,421)	(112,397)	(93,316)
Non-cash interest expense	(15,089)	(14,035)	(44,736)	(35,427)
Amortization of deferred financing fees	(2,186)	(2,603)	(6,892)	(7,991)
Loss from extinguishment of debt, net	(10)	(12,518)	(49,054)	(4,189)
Other income	217	120	102	89
Total other expense	(54,524)	(65,123)	(212,608)	(139,917)
Loss before provision for income taxes	(33,856)	(50,171)	(155,030)	(97,019)
Provision for income taxes	(719)	(18)	(810)	(490)
Net loss	(34,575)	(50,189)	(155,840)	(97,509)
Net loss attributable to the noncontrolling interest	87	80	327	148
Net loss attributable to SBA Communications Corporation	\$ (34,488)	\$ (50,109)	\$ (155,513)	\$ (97,361)
Net loss per common share attributable to SBA Communications Corporation:				
Basic and diluted	\$ (0.30)	\$ (0.43)	\$ (1.34)	\$ (0.83)

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Basic and diluted weighted average number of common shares	114,748	116,686	115,835	117,245
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SBA COMMUNICATIONS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF SHAREHOLDERS EQUITY

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010

(unaudited) (in thousands)

	Class A Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total
	Shares	Amount					
BALANCE, December 31, 2009	117,082	\$ 1,171	\$ 2,228,268	\$ (1,627,602)	\$ (2,803)	\$ 915	\$ 599,949
Net loss				(155,513)	&n		