

Transocean Ltd.
Form 10-Q
April 30, 2019
Table of Contents

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 March 31, 2019

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 001-38373

TRANSOCEAN LTD.

(Exact name of registrant as specified in its charter)

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Switzerland 98-0599916
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

Turmstrasse 30

6312

Steinhausen, Switzerland

(Address of principal executive offices)

(Zip Code)

+41 (41) 749-0500

(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 every Interactive Data File required to be submitted 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 such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer
Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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 April 23, 2019, 611,631,548 shares were outstanding.

Table of Contents

TRANSOCEAN LTD. AND SUBSIDIARIES

INDEX TO QUARTERLY REPORT ON FORM 10 Q

QUARTER ENDED MARCH 31, 2019

	Page
PART I. FINANCIAL INFORMATION	
<u>Item 1. Financial Statements (Unaudited)</u>	
<u>Condensed Consolidated Statements of Operations</u>	1
<u>Condensed Consolidated Statements of Comprehensive Loss</u>	2
<u>Condensed Consolidated Balance Sheets</u>	3
<u>Condensed Consolidated Statements of Equity</u>	4
<u>Condensed Consolidated Statements of Cash Flows</u>	5
<u>Notes to Condensed Consolidated Financial Statements</u>	6
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	17
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	26
<u>Item 4. Controls and Procedures</u>	27
PART II. <u>OTHER INFORMATION</u>	
<u>Item 1. Legal Proceedings</u>	27
<u>Item 1A. Risk Factors</u>	27
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	28
<u>Item 6. Exhibits</u>	28

Table of Contents

PART I. FINANCIAL INFORMATION

Item I. Financial Statements

TRANSOCEAN LTD. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions, except per share data)

(Unaudited)

	Three months ended March 31,	
	2019	2018
Contract drilling revenues	\$ 754	\$ 664
Costs and expenses		
Operating and maintenance	508	424
Depreciation and amortization	217	202
General and administrative	49	47
	774	673
Gain on disposal of assets, net	7	5
Operating loss	(13)	(4)
Other income (expense), net		
Interest income	10	12
Interest expense, net of amounts capitalized	(166)	(147)
Loss on retirement of debt	(18)	—
Other, net	8	(10)
	(166)	(145)
Loss before income tax expense	(179)	(149)
Income tax expense (benefit)	(8)	63
Net loss	(171)	(212)
Net loss attributable to noncontrolling interest	—	(2)
Net loss attributable to controlling interest	\$ (171)	\$ (210)
Loss per share		
Basic	\$ (0.28)	\$ (0.48)
Diluted	\$ (0.28)	\$ (0.48)
Weighted-average shares outstanding		
Basic	611	438
Diluted	611	438

See accompanying notes.

- 1 -

Table of Contents

TRANSOCEAN LTD. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(In millions)

(Unaudited)

	Three months ended March 31,	
	2019	2018
Net loss	\$ (171)	\$ (212)
Net loss attributable to noncontrolling interest	—	(2)
Net loss attributable to controlling interest	(171)	(210)
Components of net periodic benefit costs before reclassifications	7	(4)
Components of net periodic benefit costs reclassified to net loss	—	2
Other comprehensive income (loss) before income taxes	7	(2)
Income taxes related to other comprehensive income (loss)	—	—
Other comprehensive income (loss)	7	(2)
Other comprehensive income attributable to noncontrolling interest	—	—
Other comprehensive income (loss) attributable to controlling interest	7	(2)
Total comprehensive loss	(164)	(214)
Total comprehensive loss attributable to noncontrolling interest	—	(2)
Total comprehensive loss attributable to controlling interest	\$ (164)	\$ (212)

See accompanying notes.

Table of Contents

TRANSOCEAN LTD. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions, except share data)

(Unaudited)

	March 31, 2019	December 31, 2018
Assets		
Cash and cash equivalents	\$ 1,886	\$ 2,160
Accounts receivable, net of allowance for doubtful accounts of less than \$1 at March 31, 2019 and December 31, 2018	665	604
Materials and supplies, net of allowance for obsolescence of \$135 and \$134 at March 31, 2019 and December 31, 2018, respectively	488	474
Restricted cash accounts and investments	583	551
Other current assets	170	159
Total current assets	3,792	3,948