



CreditRiskMonitor’s warning of Hornbeck Offshore Services, Inc.’s (“Hornbeck Offshore”) bankruptcy risk was determined by a combination of factors:

Monthly Average FRISK [®] Score.....	Page 2
The FRISK [®] Score Components.....	3
Management Discussion and Analysis.....	4
Company Report Detail.....	5
FRISK [®] Deep Dive and Adjusted Market Cap Volatility.....	6
FRISK [®] Stress Index.....	7
Peer Analysis on Alternate Suppliers and Customers.....	8
Quarterly Performance Ratios.....	9
Quarterly Leverage Ratios.....	10
Quarterly Liquidity Ratios and Rates of Return.....	11
Year-over-Year Statement of Cash Flows.....	12
News Alerts: A Timeline of Concerning News Items.....	13
<hr/>	
About This Report/Contact CreditRiskMonitor [®]	14

MONTHLY AVERAGE FRISK® SCORE

CreditRiskMonitor's FRISK® score had been warning of financial stress at Hornbeck Offshore (OTC: HOSSQ) for more than a year. We provided [in-depth analysis](#) published on June 12, 2019 highlighting the company's refinancing risk.

The company ultimately filed for bankruptcy on May 19, 2020.

Hornbeck reported weak first quarter results with sustained operating and net losses on par with the previous year.

Net sales declined 10% and operating loss expanded by 35%. Its working capital deficit steepened due to declines in cash and restricted cash.

Moody's held Hornbeck's credit rating at Caa3 and downgraded its senior notes to Ca following a distressed debt exchange.

Business Name	2019								2020				
	M	J	J	A	S	O	N	D	J	F	M	A	M
Hornbeck Offshore Services, Inc.	1	1	1	1	1	1	1	1	1	1	1	1	1

BANKRUPT!

Subscriber crowdsourcing signaled concern about Hornbeck's financial condition in August and over subsequent quarters.

Management provided a filing to the SEC stating they would miss the deadline for its Form 10-K filing, an ominous red flag.

The FRISK® score is 96% accurate* in predicting the risk of corporate failure/bankruptcy over a 12-month horizon. All FRISK® scores are recalculated every night for each subsequent 12-month period.

FRISK® Score	BANKRUPTCY RISK RELATIVE TO THE HISTORICAL AVERAGE	
	FROM	TO
10	0.00x	0.12x
9	0.12x	0.27x
8	0.27x	0.34x
7	0.34x	0.55x
6	0.55x	0.87x
5	0.87x	1.40x
4	1.40x	2.10x
3	2.10x	4.00x
2	4.00x	9.99x
1	9.99x	50.00x

While the risk of bankruptcy varies at each FRISK® score, 96% of public companies that eventually go bankrupt enter the FRISK® "red zone" prior to filing. A FRISK® score of 5 or less is an important warning sign.

*FRISK® score accuracy of 96% is based on backtesting of U.S. public companies; results may vary by country.

THE FRISK® SCORE COMPONENTS

At the core of the CreditRiskMonitor® process is our 96% accurate FRISK® score, which indicates a company's level of financial stress on a scale of 1 to 10, based on the probability of bankruptcy over a 12-month horizon. When available, the FRISK® score incorporates a number of powerful risk indicators including:

A “Merton” type model using stock market capitalization and volatility

Financial ratios, including those used in the Altman Z”-Score Model

Bond agency ratings from Moody’s, Fitch, & DBRS Morningstar

Crowdsourced CreditRiskMonitor® Usage Data

[Crowdsourcing](#) has enhanced the accuracy and timeliness of the FRISK® score. We collect and analyze data patterns from thousands of CreditRiskMonitor® subscribers, including professionals from more than 35% of the Fortune 1000 and other large corporations worldwide.

The crowdsourcing advantage is even more powerful in our FRISK® score since many of the professionals who use our service are credit managers:

- Credit managers control one of the largest sources of working capital going into a company
- They are not held to the same “Fair Disclosure” restrictions that prevent non-disclosed information sharing on public companies
- Credit managers use a variety of non-public information sources such as their own company’s management and sales representatives to be alerted to concerns in a public company’s performance
- It is commonly known credit managers confidentially share information with other credit managers, thus collectively, their behavior helps to provide advanced insight to financial problems in public companies

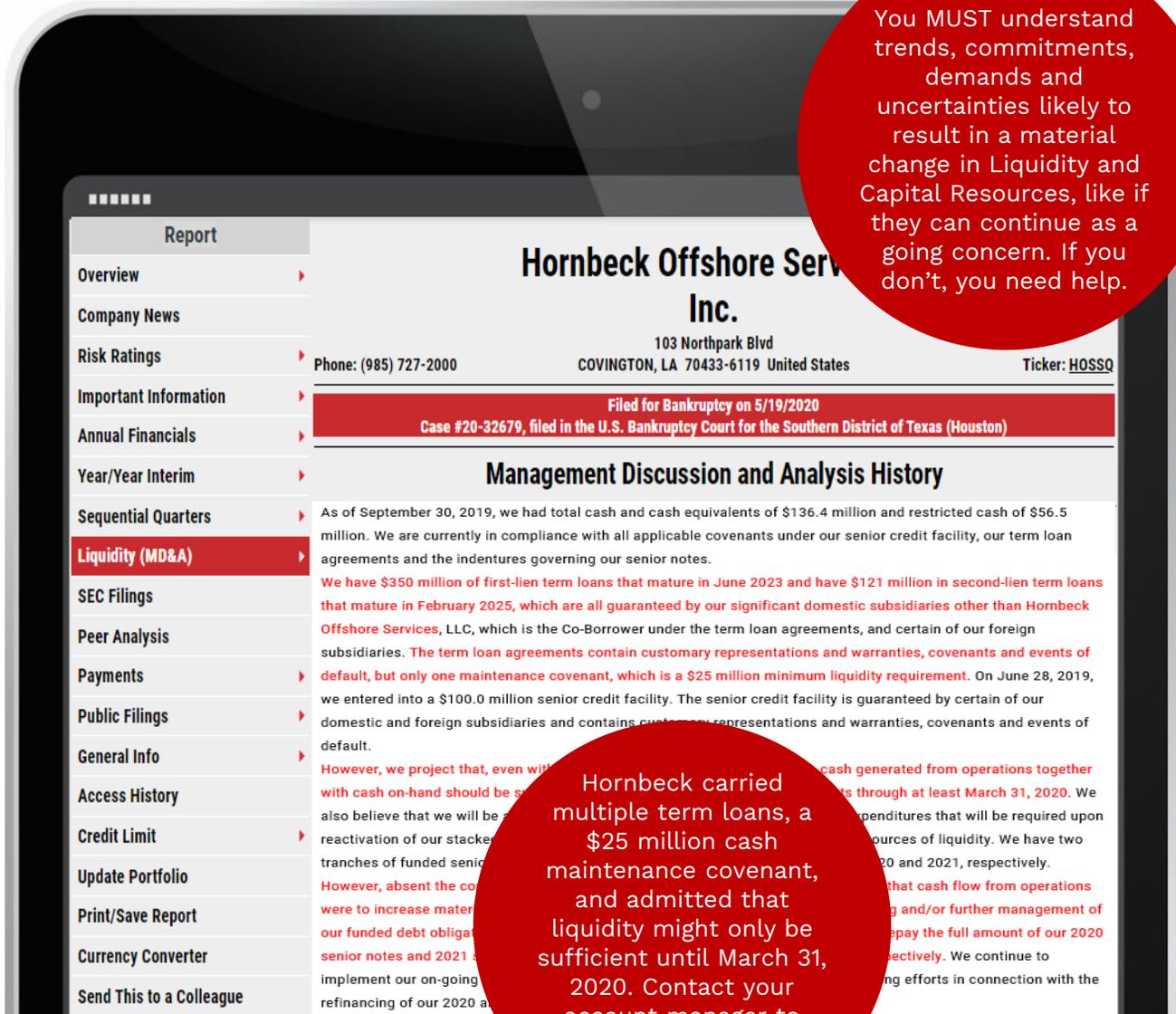
[Read more in Credit Research Foundation’s quarterly journal article, “Assessing Public Company Financial Risk by Crowdsourcing the Research of Credit Professionals”](#)

DO NOT MISS THIS – MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

Making misleading or fraudulent statements in an MD&A is against the law – and Sarbanes-Oxley subjects CEOs and CFOs to heavy fines or even jail time for doing so. A vital feature of the CreditRiskMonitor service is the ability to quickly access a Company’s Management Discussion and Analysis (MD&A) history. Let it sink in: there are no two people in the world with better knowledge of a company’s liquidity risk than the CEO and CFO. More than any credit manager. More than any trade group. And they’re personally liable if they’re lying.

According to the Financial Accounting Standards Board (FASB), “MD&A should provide a balanced presentation that includes both positive and negative information about the topics discussed.”

You MUST understand trends, commitments, demands and uncertainties likely to result in a material change in Liquidity and Capital Resources, like if they can continue as a going concern. If you don’t, you need help.



Filed for Bankruptcy on 5/19/2020
Case #20-32679, filed in the U.S. Bankruptcy Court for the Southern District of Texas (Houston)

Management Discussion and Analysis History

As of September 30, 2019, we had total cash and cash equivalents of \$136.4 million and restricted cash of \$56.5 million. We are currently in compliance with all applicable covenants under our senior credit facility, our term loan agreements and the indentures governing our senior notes.

We have \$350 million of first-lien term loans that mature in June 2023 and have \$121 million in second-lien term loans that mature in February 2025, which are all guaranteed by our significant domestic subsidiaries other than Hornbeck Offshore Services, LLC, which is the Co-Borrower under the term loan agreements, and certain of our foreign subsidiaries. The term loan agreements contain customary representations and warranties, covenants and events of default, but only one maintenance covenant, which is a \$25 million minimum liquidity requirement. On June 28, 2019, we entered into a \$100.0 million senior credit facility. The senior credit facility is guaranteed by certain of our domestic and foreign subsidiaries and contains customary representations and warranties, covenants and events of default.

However, we project that, even with cash generated from operations together with cash on-hand should be sufficient to meet our obligations through at least March 31, 2020. We also believe that we will be able to meet our obligations through at least March 31, 2020. We have two tranches of funded senior notes that mature in 2020 and 2021, respectively.

However, absent the cash flow from operations, we may not be able to pay the full amount of our 2020 senior notes and 2021 senior notes. We continue to implement our on-going refinancing efforts in connection with the refinancing of our 2020 and 2021 senior notes.

Hornbeck carried multiple term loans, a \$25 million cash maintenance covenant, and admitted that liquidity might only be sufficient until March 31, 2020. Contact your account manager to discuss these important red flags.

COMPANY REPORT DETAIL

Hornbeck Offshore Services, Inc.

IN-DEPTH ANALYSIS!

Phone: (985) 727-2000 103 Northpark Blvd
 COVINGTON, LA 70433-6119 United States Ticker: HOSSQ

Filed for Bankruptcy on 5/19/2020
 Case #20-32679, filed in the U.S. Bankruptcy Court for the Southern District of Texas (Houston)

Latest Financial Statements as of 9/30/2019

Business Summary

Hornbeck Offshore Services, Inc. provides marine transportation, subsea installation and accommodation support services to exploration and production, oilfield service, offshore construction and to United States military customers. The Company focuses on providing marine solutions for the deepwater and ultra-deepwater energy industry in domestic and select foreign locations. The Company, through its subsidiaries, operates offshore supply vessels (OSVs), multi-purpose support vessels (MPSVs), and a shore-base facility to provide logistics support and specialty services to the offshore oil and gas exploration and production industry, primarily in the United States, Gulf of Mexico, Latin America and selected international markets. Its OSVs and MPSVs support the deep-well, deepwater and ultra-deepwater activities of the offshore oil and gas industry. It provides vessel management services for other vessel owners, such as crewing, daily operational management and maintenance activities.

(Source: 10-K)

Employees: 1,009 (as of 12/31/2018) Incorporated: 6/2/1997 Federal Tax Id: 721375844

Credit Score History

[Why are these scores different?](#)

FRISK® Score Analysis

Score/ Index	2019												2020					
	M	J	J	A	S	O	N	D	J	F	M	A	M					
FRISK® Score*	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
DBT Index	5	5	9	9	9	9	9	9	9	8	9	9	8	DBT				
Z"-Score	1.73		1.1				0.93		Z"	Z"	Z"	Z"	Z"					

*FRISK® Scores are month-end

- Probability of bankruptcy within 12 months is 10% to 50%
- Trade credit risk
- ...

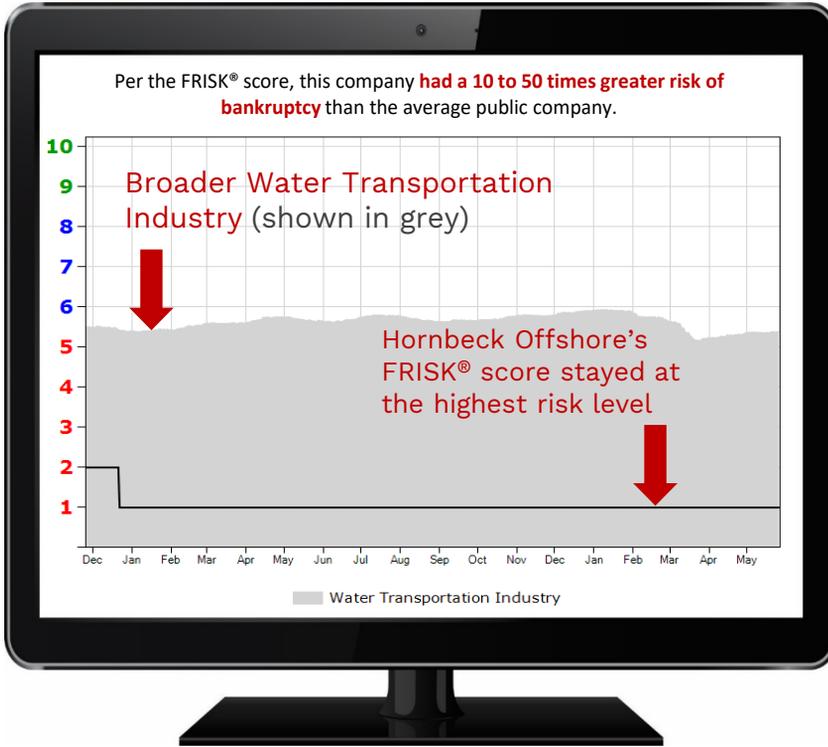
The FRISK® score is a 96% accurate method by which to monitor public company bankruptcy risk.

Payment performance, captured by the Days Beyond Terms (DBT) index, which is very similar to D&B's PAYDEX® score, is not an effective indicator of financial stress for publicly traded companies since they often continue to pay on time right up until their bankruptcy filing. This is what's commonly called the "Cloaking Effect."

Agency Credit Ratings

Rating Agency	Long Term Rating	Outlook	Short Term Rating	W
Moody's	WR	Withdrawn	WR	C

FRISK® DEEP DIVE



The FRISK® score relative to the broader Water Transportation industry raised an additional red flag signaling heightened risk relative to peers, as well...

MAKING IMMEDIATE ATTENTION REQUIRED.

ADJUSTED MARKET CAP VOLATILITY



One of the inputs of the FRISK® score is a company's market cap volatility, adjusted for dividends, over the course of a year. Incorporating this information allows us to capture the "wisdom of markets" on a daily basis. This ensures our subscribers are getting the most up to date view of the risks they face since stocks tend to be more liquid and faster moving than bond prices and ratings.

FRISK® STRESS INDEX

#	Business Name	Country	Current FRISK® score
1	Hornbeck Offshore Services, Inc. IN-DEPTH ANALYSIS!	United States	1
2	Navios Maritime Holdings Inc.	Monaco	1
3	Dal'nevostochnoye Morskoye Parkhdstv PAO	Russian Federation	1
4	Global Offshore Services Ltd	India	1
5	Essar Shipping Ltd	India	2
6	Chowgule Steamships Ltd.	India	2
7	SEACOR Marine Holdings Inc	United States	2
8	Awilco LNG ASA	Norway	2
9	Viet Nam Sea Transport and Charterng JSC	Vietnam	2
10	Pacific Radiance Ltd	Singapore	2

FRISK® Stress Index - SIC classification: Deep sea foreign transportation of freight located in All Countries

See COVID-19 Impact on Frisk Scores around the world...

Primary industry codes only Primary and secondary industry codes

Businesses From: All Businesses CLEAR

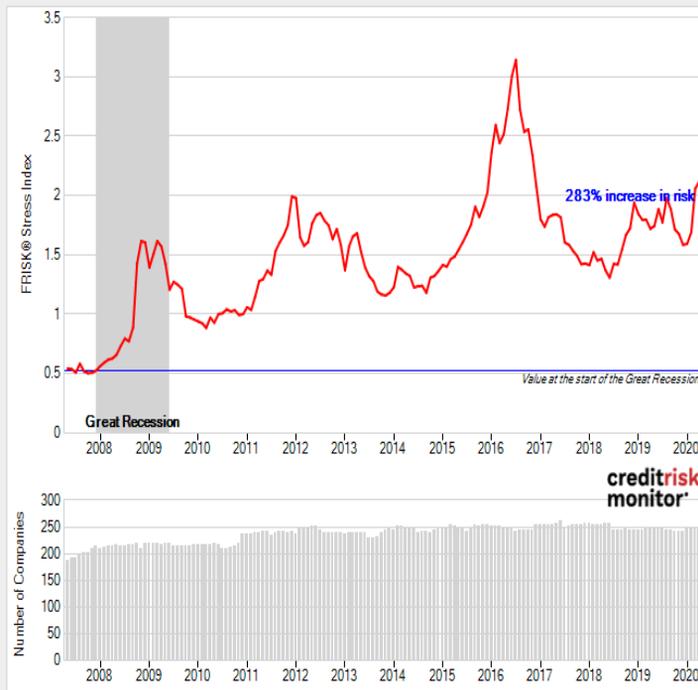
In Industry: SIC 4412: Deep sea foreign transportation of freight

Country: All Countries

UPDATE RESULTS

Scale: Auto

Total Companies in all months 384



The FRISK® Stress Index shows the collective probability of failure in a group of companies (such as an industry, country or portfolio) over the next 12 months. It is designed to show trends in risk level across groups of companies and is shown on a zero to 50 scale, with 50 being the most risky.

The average probability of failure for SIC code 4412 (Deep sea foreign transportation of freight) has increased 283% since 2007. Hornbeck Offshore was among the weakest names in the industry as evidenced by its FRISK® score of 1.

[Request a Personalized Demo](#)

PEER ANALYSIS ON ALTERNATE SUPPLIERS AND CUSTOMERS

The Peer Analysis expands to provide a ranking of a company's competitors, which can help provide options for alternate suppliers or new customers

Analysis: SIC classification: Deep sea foreign transportation of freight^x

Calendar Year/Quarter: 2019.3

Businesses in Peer Group: 1052	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range		
				Low	Median	High
Credit Ratings						
Z-Score	254	382	0.93	-57.54	1.98	44.41
Performance ratios:						
Net Sales (Thousands of U.S. Dollars)	71	119	52,830	1,245	71,009	85,177,600
Gross Margin % Of Sales	185	388				
Gross Margin % Of Sales -- TTM	162	399				
SGA % Of Sales	341	385				
SGA % Of Sales -- TTM	319	398				
Operating Margin % Of Sales	397	409				
Operating Margin % Of Sales -- TTM	394	419				
EBITDA Margin Of Sales	220	235				
EBITDA Margin Of Sales -- TTM	173	248				
Net Profit Margin % Of Sales	392	408				
Net Profit Margin % Of Sales -- TTM	390	418				
Pre-tax Income % Of Sales	395	409				
Effective Tax Rate	231	372	19.53	-605.01	9.52	431.52
Depreciation % Of Prop/Plant/Equipment	40	365	4.10	0.00	7.54	404.00
Capital Expense % Of Prop/Plant/Equipment	7	288	0.04	0.01	4.21	200.15
Interest Coverage	204	222	-0.09	-45.99	3.33	34,914.18
Interest Coverage -- TTM	213	241	0.19	-536.88	2.93	557.23
Liquidity ratios:						
Cash Ratio	170	411	0.47	0.00	0.34	233.02
Quick Ratio	228	382	0.66	0.00	0.84	17.69
Current Ratio	303	411	0.73	0.03	1.16	235.35
Efficiency ratios:						
Accounts Receivable Turnover	322	390	3.59	-500.88	7.12	14,444.44
Days Sales Outstanding	356	411	101.67	-2,257.10	46.19	1,910.23
% of Inventory Financed by Vendors		269		6.81	242.82	39,286.59
% of Inventory Financed by Vendors -- TTM		277		5.58	250.18	47,703.08
Inventory Turnover		339				
Inventory Turnover -- TTM		353				
Days Sales in Inventory		317				
Inventory to Working Capital		336				
Accounts Payable Turnover	225	335				
Accounts Payable Turnover -- TTM	236	353				
Leverage & debt coverage:						
Total Debt to Equity Ratio	235	383				
Debt to Tangible Equity Ratio	216	374				
Total Debt to Assets Ratio	261	399				
Short-Term Debt % of Total Debt	131	382	17.70	0.00	27.15	100.00
Short-Term Debt % of Working Capital	267	384	-281.73	-9,883.97	5.48	19,763.09
Liabilities to Net Worth Ratio	211	392	1.25	0.02	1.17	775.71
Total Liabilities to Equity Ratio	228	401	1.25	0.02	1.11	143.16
TTM EBITDA to Total Debt	215	240	0.01	-23.03	0.17	136.46
Net Debt to TTM EBITDA	216	218	73.82	-9.85	4.16	476.84

Rank	Company Name
1	Viet Nam Ocean Shipping Agency Corp
2	Hai Phong Cement Trading and Transportation JSC
3	Sea & Air Freight International
4	NTS ASA
5	Asian Insulators PCL

Rank	Company Name
1	Viet Nam Ocean Shipping Agency Corp
2	Egyptian Transport and Commercial Service
3	KazTransOil AO
4	Saigon Shipping JSC
5	Cat Lai Port Joint Stock Co

Green - Ranked in Upper Quartile of Peer Group
 White - Ranked in the Middle Two Quartiles of Peer Group
 Red - Ranked in Lower Quartile of Peer Group
 Orange - Confidential
 Grey - Data is Not Available

TTM = trailing 12 months
 N/A = Not Available

Hornbeck Offshore demonstrated bottom quartile ranking in key financial ratios (shown in red) versus its industry peers.

QUARTERLY PERFORMANCE RATIOS

Persistent operating and net losses in the last five quarters

Insufficient interest coverage ratio & negative free cash flow

Performance Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 9/30/2019	3 mos 6/30/2019	3 mos 3/31/2019	3 mos 12/31/2018	3 mos 9/30/2018
Net Sales \$	\$52,830	\$56,845	\$54,036	\$53,918	\$58,468
% change	-7.06%	5.20%	0.22%	-7.78%	0.06%
Gross Margin \$	\$11,699	\$16,628	\$13,642	\$15,306	\$20,265
% change	-29.64%	21.89%	-10.87%	-24.47%	-14.03%
% of sales	22.14%	29.25%	25.25%	28.39%	34.66%
change as % of incremental sales	n/m	106.30%	-1,410.17%	n/m	-8,940.54%
SG&A \$	\$13,362	\$13,049	\$11,967	\$3,275	\$15,134
% change	2.40%	9.04%	265.40%	-78.36%	23.58%
% of sales	25.29%	22.96%	22.15%	6.07%	25.88%
change as % of incremental sales	n/m	38.52%	7,366.10%	n/m	7,805.41%
Operating margin \$	(\$30,248)	(\$24,778)	(\$26,752)	(\$15,539)	(\$22,412)
% change	-22.08%	7.38%	-72.16%	30.67%	-43.93%
% of sales	-57.26%	-43.59%	-49.51%	-28.82%	-38.33%
change as % of incremental sales	n/m	70.27%	-9,502.54%	n/m	-18,486.49%
EBITDA \$	(\$1,924)	\$3,612	\$1,543	\$12,047	\$5,179
% change	-153.27%	134.09%	-87.19%	132.61%	-53.93%
% of sales	-3.64%	6.35%	2.86%	22.34%	8.86%
change as % of incremental sales	n/m	73.66%	-8,901.69%	n/m	-16,386.49%
EBIT \$	(\$30,516)	(\$24,774)	(\$26,839)	(\$15,527)	(\$22,389)
% change	-23.18%	7.69%	-72.85%	30.65%	-43.12%
% of sales	-57.76%	-43.58%	-49.67%	-28.80%	-38.29%
change as % of incremental sales	n/m	73.51%	-9,586.44%	n/m	-18,229.73%
Pre-tax income \$	(\$51,451)	(\$43,848)	(\$45,451)	(\$31,664)	(\$38,406)
% change	-17.34%	3.53%	-43.54%	17.55%	-21.82%
% of sales	-97.39%	-77.14%	-84.11%	-58.73%	-65.69%
change as % of incremental sales	n/m	57.07%	-11,683.90%	n/m	-18,594.59%
Net income (loss) \$	(\$41,404)	(\$31,943)	(\$36,620)	(\$24,195)	(\$31,183)
% change	-29.62%	12.77%	-51.35%	22.41%	-24.29%
% of sales	-78.37%	-56.19%	-67.77%	-44.87%	-53.33%
change as % of incremental sales	n/m	166.50%	-10,529.66%	n/m	-16,472.97%
Tax expense \$	(\$10,047)	(\$11,905)	(\$8,831)	(\$7,469)	(\$7,223)
Effective tax rate	19.53%	27.15%	19.43%	23.59%	18.81%
Depreciation expense \$	\$24,559	\$24,657	\$24,771	\$24,806	\$24,843
% of sales	46.49%	43.38%	45.84%	46.01%	42.49%
% of capital expenses	9,163.81%	797.45%	4,156.21%	3,702.39%	902.73%
% of PP&E, net (annualized)	4.10%	4.07%	4.07%	4.06%	4.02%
Capital expenditures \$	\$268	\$3,092	\$596	\$670	\$2,752
% change	-91.33%	418.79%	-11.04%	-75.65%	-93.54%
% of PP&E, net (annualized)	0.04%	0.51%	0.10%	0.11%	0.45%
% of working capital (annualized)	-1.73%	20.88%	1.58%	3.59%	16.63%
Interest coverage ratio	(0.09)	0.18	0.08	0.72	0.31
% change	-147.90%	130.95%	-89.18%	130.86%	-54.33%
Free cash flow \$	(\$23,885)	(\$25,609)	(\$26,739)	(\$17,246)	(\$875)
% change	6.73%	4.23%	-55.04%	-1,870.97%	98.57%
Source:	10-Q 11/12/2019	10-Q 8/9/2019	10-Q 5/10/2019	10-K 2/28/2019	10-Q 11/9/2018

QUARTERLY LEVERAGE RATIOS

Total debt to equity pushed to level that corresponded with high financial leverage

Short-term debt relative to working capital indicated substantial refinancing risks

Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	9/30/2019	6/30/2019	3/31/2019	12/31/2018	9/30/2018
Total debt \$	\$1,264,218	\$1,290,171	\$1,196,733	\$1,219,936	\$1,084,175
% change	-2.01%	7.81%	-1.90%	12.52%	0.10%
Stockholders' equity \$	\$1,197,894	\$1,243,909	\$1,271,749	\$1,307,926	\$1,329,899
% change	-3.70%	-2.19%	-2.77%	-1.65%	-2.47%
Total debt to equity ratio	1.06	1.04	0.94	0.93	0.82
% change	1.75%	10.22%	0.89%	14.41%	2.63%
Tangible net worth \$	\$1,197,894	\$1,243,909	\$1,271,749	\$1,307,926	\$1,329,899
% change	-3.70%	-2.19%	-2.77%	-1.65%	-2.47%
Total debt to tangible net worth	1.06	1.04	0.94	0.93	0.82
% change	1.75%	10.22%	0.89%	14.41%	2.63%
Total assets \$	\$2,691,806	\$2,772,010	\$2,723,347	\$2,764,637	\$2,654,739
% change	-2.89%	1.79%	-1.49%	4.14%	-1.28%
Total debt to assets ratio	0.47	0.47	0.44	0.44	0.41
% change	0.92%	5.92%	-0.43%	8.06%	1.39%
Tangible assets \$	\$2,691,806	\$2,772,010	\$2,723,347	\$2,764,637	\$2,654,739
% change	-2.89%	1.79%	-1.49%	4.14%	-1.28%
Short-term debt \$	\$223,826	\$249,130	\$25,174	\$96,311	\$95,087
% change	-10.16%	889.63%	-73.86%	1.29%	n/a
Short-term debt % of total debt	17.70%	19.31%	2.10%	7.89%	8.77%
% change	-8.31%	817.94%	-73.35%	-9.98%	n/a
Short-term debt % of working capital	-281.73%	-563.11%	15.47%	69.60%	861.53%
% change	49.97%	-3,739.13%	-77.77%	-91.92%	n/a
Total liabilities \$	\$1,493,912	\$1,528,101	\$1,451,598	\$1,456,711	\$1,324,840
% change	-2.24%	5.27%	-0.35%	9.95%	-0.05%
Total liabilities to equity ratio	1.25	1.23	1.14	1.11	1.00
% change	1.51%	7.63%	2.48%	11.80%	2.48%
Total liabilities to tangible net worth ratio	1.25	1.23	1.14	1.11	1.00
% change	1.51%	7.63%	2.48%	11.80%	2.48%
Total debt to EBITDA ratio (annualized)	n/a	89.30	193.90	25.32	52.34
% change		-53.95%	665.90%	-51.63%	117.29%
Source:			10-Q 5/10/2019	10-K 2/28/2019	10-Q 11/9/2018

Depressed EBITDA generation contributed to its untenable capital structure

QUARTERLY LIQUIDITY RATIOS AND RATES OF RETURN

Working capital fell into a deficit

Inadequate quick and current ratios

Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	9/30/2019	6/30/2019	3/31/2019	12/31/2018	9/30/2018
Current assets \$	\$212,218	\$267,570	\$255,086	\$299,628	\$172,232
% change	-20.69%	4.89%	-14.87%	73.97%	-5.44%
% of short-term debt	94.81%	107.40%	1,013.29%	311.10%	181.13%
Current liabilities \$	\$291,664	\$311,812	\$92,397	\$161,242	\$161,195
% change	-6.46%	237.47%	-42.70%	0.03%	165.18%
Working capital \$	(\$79,446)	(\$44,242)	\$162,689	\$138,386	\$11,037
% change	-79.57%	-127.19%	17.56%	1,153.84%	-90.91%
% of sales (annualized)	-37.60%	-19.46%	75.27%	64.17%	4.72%
Cash \$	\$136,401	\$142,708	\$174,554	\$224,936	\$108,066
% change	-4.42%	-18.24%	-22.40%	108.15%	-0.92%
% of short-term debt	60.94%	57.28%	693.39%	233.55%	113.65%
Cash ratio	0.47	0.46	1.89	1.40	0.67
% change	2.18%	-75.77%	35.43%	108.08%	-62.64%
Quick assets \$	\$193,788	\$203,044	\$233,837	\$279,860	\$158,199
% change	-4.56%	-13.17%	-16.45%	76.90%	-4.78%
% of short-term debt	86.58%	81.50%	928.88%	290.58%	166.37%
Quick ratio	0.66	0.65	2.53	1.74	0.98
% change	2.03%	-74.27%	45.81%	76.86%	-64.09%
Current ratio	0.73	0.86	2.76	1.86	1.07
% change	-15.21%	-68.92%	48.57%	73.92%	-64.34%
Source:	10-Q	10-Q	10-Q	10-K	10-Q
	11/12/2019	8/9/2019	5/10/2019	2/28/2019	11/9/2018

Unable to generate any positive returns

Rate of Return - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 9/30/2019	3 mos 6/30/2019	3 mos 3/31/2019	3 mos 12/31/2018	3 mos 9/30/2018
Return on equity	-3.33%	-2.51%	-2.80%	-1.82%	-2.29%
% change	-32.52%	10.29%	-53.90%	20.44%	-27.53%
Return on net tangible equity	-3.33%	-2.51%	-2.80%	-1.82%	-2.29%
% change	-32.52%	10.29%	-53.90%	20.44%	-27.53%
Return on total assets	-1.52%	-1.16%	-1.33%	-0.89%	-1.17%
% change	-30.37%	12.90%	-49.47%	23.49%	-26.02%
Return on tangible assets	-1.52%	-1.16%	-1.33%	-0.89%	-1.17%
% change	-30.37%	12.90%	-49.47%	23.49%	-26.02%
Source:	10-Q	10-Q	10-Q	10-K	10-Q
	11/12/2019	8/9/2019	5/10/2019	2/28/2019	11/9/2018

YEAR-OVER-YEAR STATEMENT OF CASH FLOWS

Negative cash from operating activities

Statement of Cash Flows - Year-over-Year - Standardized - Year to Date

(Thousands of U.S. Dollars)

Period Ended	9 mos 9/30/2019	9 mos 9/30/2018	9 mos 9/30/2017	9 mos 9/30/2016	9 mos 9/30/2015
				Reclassified	
				9/30/2017	
Cash Flows from Operating Activities:					
Net income	(\$109,967)	(\$94,928)	(\$66,337)	(\$44,603)	\$69,492
Depreciation/depletion	73,987	74,121	74,038	68,298	61,114
Amortization	11,373	6,973	9,463	16,675	20,192
Deferred taxes	(31,637)	(22,866)	(33,766)	(21,097)	41,516
Non-cash Items	4,048	12,253	1,385	13,933	(29,533)
Changes in working capital	(20,081)	(1,329)	(13,986)	23,955	21,687
Total cash from operating activities	(72,277)	(25,776)	(29,203)	57,161	184,468
Cash Flows from Investing Activities:					
Capital expenditures	(3,956)	(51,940)	(15,130)	(92,318)	(215,730)
Other investing cash flow items, total	68	82	34	506	152,000
Total cash from investing activities	(3,888)	(51,858)	(15,096)	(91,812)	(63,730)
Cash Flows from Financing Activities:					
Financing cash flow items	88,109	(536)	(6,211)	(1,552)	(2,089)
Issuance/retirement of stock, net	126	260	258	732	1,966
Issuance/retirement of debt, net	(43,917)	0	(53,708)	0	n/a
Total cash from financing activities	44,318	(276)	(59,661)	(820)	(123)
Foreign exchange effects	(238)	(873)	(231)	1,131	(3,120)
Net change in cash	(32,085)	(78,783)	(104,191)	(34,340)	117,495
Net cash-beginning balance	224,936	186,849	217,027	259,801	185,123
Net cash-ending balance	\$192,851	\$108,066	\$112,836	\$225,461	\$302,618
Supplemental Disclosures:					
Cash interest paid	\$63,318	\$44,936	\$40,028	\$38,871	\$39,151
Cash taxes paid, supplemental	\$369	\$933	\$1,044	\$2,688	\$3,331
Source:	10-Q 11/12/2019	10-Q 11/9/2018	10-Q 11/8/2017	10-Q 11/8/2017	10-Q 11/6/2015

NEWS ALERTS: A TIMELINE OF CONCERNING NEWS ITEMS

<p>Q1 2019 filing – Hornbeck Offshore reported quarterly operating and net losses of \$26.8 million and \$36.6 million, respectively. Offshore service day rates and fleet utilization for the industry remained tepid, offsetting efforts to reduce costs and preserve cash. Management engaged in multiple private debt exchanges, refinancing a portion of its 2019 and 2020 outstanding notes.</p>		
05/01/2019	PR Newswire	Hornbeck Offshore Announces First Quarter 2019 Results
<p>To expand the company's access to liquidity, management signed off on a new asset-backed revolving credit facility. However, adding these debt tranches, if accessed, would only worsen an already highly leveraged capital structure.</p>		
07/08/2019	CRMZ News Service	Hornbeck Offshore Announces New Senior Credit Facility
<p>Current debt increased from \$25.2 million to \$249.1 million sequentially between the first and second quarters of 2019, specifically as the company borrowed in the form of a term loan and through a credit facility. With more than \$1.3 billion in total debt outstanding, its cash interest expenses increased to unsustainably high levels.</p>		
08/09/2019	CRMZ News Service	Hornbeck Offshore Services Inc.: a Form 10-Q has been filed with the SEC
<p>The NYSE sent a written notice to Hornbeck Offshore regarding its stock price compliance deficiency. While management attempted to address the requirement, it failed to execute a reverse split or other measures.</p>		
08/22/2019	CRMZ News Service	Hornbeck Offshore Receives Continued Listing Standard Notice From NYSE
<p>Hornbeck Offshore's stock listing was transitioned onto over-the-counter markets after not meeting the minimum market capitalization criteria of at least \$15 million; its stock ticker was changed from HOS to HOSS.</p>		
12/23/2019	CRMZ News Service	Hornbeck Offshore Common Stock to Trade on the OTC Market with New Trading Symbol HOSS Starting December 23, 2019
<p>After receiving approval from certain creditors and shareholders, the company would seek to tender existing layers of unsecured debt comprising a total of approximately \$674 million. However, the ensuing breakdown in crude oil prices and pressure placed onto vessel collateral valuations nixed this attempted proposal.</p>		
02/14/2020	CRMZ News Service	Hornbeck Offshore Enters Into Transaction Support Agreement
<p>Hornbeck Offshore filed for Chapter 11 restructuring in the U.S. Bankruptcy for the Southern District of Houston Texas. However, counter to most reorganization plans, all of the company's vendors would be paid in full based on the bankruptcy petition submitted to the judge.</p>		
05/19/2020	Dow Jones & Company, Inc.	Hornbeck Offshore Files Prearranged Chapter 11 to Cut Debt

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